Calendar No. 237

100TH CONGRESS
1st Session

SENATE

REPORT
100-108

PUBLIC HEALTH SERVICE AMENDMENTS OF 1987

JULY 14 (legislative day, JUNE 23), 1987.—Ordered to be printed

Mr. KENNEDY, from the Committee on Labor and Human Resources, submitted the following

REPORT

[To accompany S. 1158]

The Committee on Labor and Human Resources, to which was referred the bill (S. 1158) to continue authorization of various health and science programs, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and an amendment to the title and recommends that the bill as amended do pass.

CONTENTS

		Page
I.	Summary of Bill	1
II.	Background and Need for Legislation	4
III.	Text of the Bill as Reported	10
IV.	Committee Views	27
V.	Committee Actions	31
VI.	Congressional Budget Office Cost Estimate	32
VII.	Regulatory Impact Statement	34
VIII.	Section-by-Section Analysis	34
IX.	Changes in Existing Law	43

I. SUMMARY OF BILL

The bill authorizes appropriations for programs and activities under Title III of the Public Health Service Act for Fiscal Years 1988 through 1990. These programs and activities include the National Center for Health Services Research, the National Center for Health Statistics, the Council on Health Care Technology, Project Grants for Preventive Health Projects for Immunizations, Project Grants for Preventive Health Projects for Tuberculosis, Additional Programs Relating to Tuberculosis, Projects and Programs for the Prevention and Control of Sexually Transmitted Diseases, the Na-

91-010

S543-8

tional Health Service Corps, the National Health Service Corps Loan Repayment Program, the National Health Service Corps Scholarship Program, Designation of Health Manpower Shortage Areas, and Special Loans for Corps Members to Enter Private Practice.

For Fiscal Year 1988 the bill authorizes:

National Center for Health Services Research	$27,000,000
National Center for Health Statistics	55,000,000
Council on Health Care Technology	1,000,000
Immunization Grants	94,000,000
Vaccine Stockpile	5,000,000
Tuberculosis Grants	22,000,000
Sexually Transmitted Diseases Prevention	100,000,000
National Health Service Corps Loan Repayment	5,000,000
National Health Service Corps Scholarship Program	2,000,000
State Loan Repayment	1,000,000
National Health Service Corps	65,000,000
Total	377,000,000

As reported by the Committee, S. 1158 amends title III of the Public Health Service Act to amend and extend the authorities for the National Center for Health Services Research and Health Care Technology and the National Center for Health Statistics, the Immunization and Tuberculosis Project Grants programs, the Sexually Transmitted Diseases Prevention and Control programs, and the National Health Service Corps.

TITLE I—HEALTH SERVICE RESEARCH, HEALTH CARE TECHNOLOGY, HEALTH STATISTICS, AND PREVENTIVE HEALTH PROGRAMS

S. 1158 extends the authorities for the National Center for Health Services Research and Health Care Technology and the National Center for Health Statistics for three years through FY 1990.

S. 1158 reauthorizes the immunization project grant authority for three years, through FY 1990. It also establishes a new three-year project grant authority for the provision of immunizations with vaccines which are approved and recommended for use after the enactment of the existing authority. The bill also establishes a three-year authority for the Secretary, acting through the Centers for Disease Control, to acquire and maintain a six-month vaccine stockpile.

S. 1158 extends the authority for tuberculosis control project grants for three years. It also establishes a new three-year project grant authority for tuberculosis research, especially concerning drug-resistant tuberculosis and cases of the disease affecting certain populations; demonstrations; public information and education programs; and health professionals education, training and clinical skills improvement for the prevention and control of tuberculosis.

S. 1158 extends for three years the authority for projects and programs for the prevention and control of sexually transmitted diseases. The authority is also amended to include grants for the prevention and control of, and grants for research and other projects, programs, and activities relating to, chlamydia.

TITLE II—NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM

S. 1158 as reported by the Committee authorizes the establishment of a Loan Repayment Program in order to assure for the National Health Service Corps an adequate supply of trained physicians, dentists, and nurses, and other health professionals. Individuals eligible for the program would have to be either enrolled in the final year of study leading to a medical or other health professional degree or a graduate of such a program with a license to practice in a State. For each year of obligated service that an individual agreed to serve in a health manpower shortage area in the National Health Service Corps, the program provides for the payment of up to $20,000 in loans on behalf of that individual. The Secretary would have to report annually to the Congress on the numbers of persons participating in the Loan Repayment Program, the amount of loan payments made, and other information on the operation of the program. The bill also requires the Secretary to report annually to the Senate Committee on Labor and Human Resources, the House Committee on Energy and Commerce, and the Committees on Appropriations of both houses on the operations of both the Loan Repayment Program and the existing Scholarship Program over the succeeding three years.

Title II of S. 1158 also authorizes a new three-year program of grants to States to support State programs similar to the Loan Repayment Program.

TITLE III—FURTHER REVISIONS AND EXTENSIONS OF THE PROGRAM FOR THE NATIONAL HEALTH SERVICE CORPS

S. 1158 amend the National Health Service Corps authority to provide that the Secretary shall not remove an area from the list of health manpower shortage areas without an opportunity for interested persons and groups in that area to provide data and information in support of the area's designation as a shortage area. The bill also adds a fourth indicator, "ability to pay for health services", to the criteria used in designating health manpower shortage areas. S. 1158 amends the National Health Service Corps authority to allow individuals performing obligated service under the new Loan Repayment Program as eligible, along with those serving under the Scholarship Program, to be released from their obligation to enter into full-time private practice in a health manpower shortage area. The bill further authorizes the Secretary to make a loan, not to exceed $25,000, to a Corps member agreeing to engage in the private practice option, to be used to assist the individual in meeting the costs of beginning professional practice.

S. 1158 extends the authority for the general operation of the National Health Service Corps for three years, through FY 1990.

II. Background and Need for Legislation

National Center for Health Services Research and Health Care Technology Assessment and the National Center for Health Statistics

The health of our Nation and the expenditures we incur in attaining that health status are two important concerns of the Congress and the American people. This Nation has taken great strides in improving the health of its population during this century. To cite two commonly used indicators of health status, life expectancy has increased, from 47.3 years at birth in 1900 to 74.7 in 1985, and infant mortality has decreased, from 29.2 infant deaths per 1,000 live births in 1950 to 10.8 deaths in 1984. Such factors as technological innovation, expansion of health insurance coverage, and a variety of Federal health programs have improved the accessibility and quality of health care for most Americans. The achievements we have made, of course, have not come without vast expenditures of funds.

In 1985, total health expenditures in the United States reached $425 million in 1985, up 8.9 percent form the previous year. This represented an average expenditure of $1,721 per person, and amounted to over 10 percent of the gross national product. Over 41 percent of these expenditures were reimbursed under Medicare, Medicaid, and other public programs.

Obviously, the Federal and State governments spend billions of dollars each year on hundreds of health programs benefiting virtually every person in this country. In order to spend this money wisely, it is essential that we have comprehensive and accurate data on health status, health care utilization and costs, and characteristics of health care providers. In order to understand better the delivery of health care services and to design innovative and effective ways of improving health programs, we need health services research. Finally, we need to have the capacity to assess the continuing development of health care technology and to understand its impact of health care costs and delivery systems, and to assure ourselves that health care technology is used appropriately in publicly funded programs.

The responsibility for these and related activities currently reside in the National Center for Health Services Research and Health Care Technology Assessment and the National Center for Health Statistics, both agencies in the Office of the Assistant Secretary for Health in the Department of Health and Human Services.

The National Center for Health Services Research and Health Care Technology Assessment plans, develops, and administers a program of intramural and extramural health services research, demonstrations, evaluations, and research training, studies, and related grant and contract supported activities covering the financing, organization, quality, and utilization of health services. The Center makes grants and contracts to health service providers, conducts and coordinates health services research within the Public Health Service, disseminates research findings, and provides technical assistance to other Federal programs and health service providers. In the area of technology assessment, the Center supports

studies on the safety, efficacy, and cost-effectiveness of specific technologies, development of new methods for evaluating medical technologies, and diffusion of medical technology.

The National Center for Health Statistics collects, analyzes, and disseminates health statistics on vital events and health activities to reflect the health status of people, health needs, and health resources; stimulates and conducts basic and applied research in health data systems and statistical methodology; provides national leadership in health statistics and epidemiology; and fosters research, consultation, and training programs in international statistical activities.

IMMUNIZATION PROGRAMS

Immunization of children against vaccine-preventable diseases is one of the most effective preventive health measures known to man. The Federal project grant program for immunization programs has been one of the most successful health programs in our history. The appropriate use of smallpox vaccine worldwide has led to the eradication of that disease. The Federal childhood immunization program administered by the Centers for Disease Control has led to the virtual elimination of diphtheria, tetanus, and poliomyelitis as diseases of children in this country. While the number of reported cases of measles has increased from the record low in 1983, the cases reported in 1986 still represent a decrease of approximately 99 percent from the pre-vaccine era.

Immunization programs make an important contribution to the quality of life of the people and communities served, but they also help in containing the cost of health care. Despite recent increases in the price of vaccines, they still have a high benefit-cost ratio. The benefit-cost ratio of rubella immunization given in combination with measles vaccine is estimated to be over 14:1, and the benefit-cost ratio for polio remains over 10:1. This translates to an estimated savings of about $1 billion per year for polio, and $500 million per year for measles. Since 1963, over 62 million cases of measles and 20,500 cases of mental retardation have been averted, and 6,200 children's lives have been saved as a result of measles immunization.

The Congress and the Federal Government have been involved in support of immunization programs for the prevention and control of communicable diseases in children since the 1950s when the effort focused on a single disease—polio. The Communicable Disease Amendments of 1970 (P.L. 91-464) created a new section 317 of the Public Health Service Act to provide authority for the Federal Government to assist States and local governments in prevention and control of communicable diseases through purchase of vaccines and other forms of assistance. This legislation established a Federal leadership role in the control of communicable diseases, and indicated that the Federal Government intended to cooperate with State and local control programs. Legislation in the years following 1970 extended and strengthened the authority, clarifying requirements and objectives for grant recipients and establishing the program as a preventive health services program. The Preventive Health Amendments of 1984 (P.L. 98-555) extended the authority

through FY 1987 and amended the authority so that beneficiaries of the program would no longer be limited to children.

In 1983, the Centers for Disease Control began the stockpiling of vaccines and jet injector equipment, in order to ensure the availability of a continued supply of vaccines. Technical production difficulties and contractual problems with manufacturers as well as the decline in the number of vaccine manufacturers had sometimes created delays of up to six months during which some vaccines were unavailable for distribution.

One of the factors related to the rising price of vaccine, the declining number of manufacturers, and other issues related to the distribution and production of vaccines is liability of vaccine manufacturers for injuries alleged to be related to the vaccines. In an attempt to deal with the liability issue, the 99th Congress enacted, as part of P.L. 99-660, the National Vaccine Program and the National Vaccine Injury Compensation Program under title XXI of the Public Health Service Act. Under the National Vaccine Program, the Secretary is to establish a national program to achieve optimal prevention of human infectious diseases through immunization and optimal prevention against adverse reaction to vaccines. The second part of title XXI establishes a national vaccine injury compensation program which would serve as an alternate mechanism to provide compensation for a vaccine-related injury or death. The effective date of the compensation program is contingent upon the enactment of a tax to provide funds for payment of compensation authorized under the program.

TUBERCULOSIS PREVENTION AND CONTROL

Although modern medicine has considered tuberculosis a curable and preventable disease for more than a quarter of a century, the disease continues to be a public health problem in the U.S. The number of reported cases of tuberculosis had declined every year since 1953 until 1986. Preliminary totals for 1986 indicate a 2.6 percent increase nationwide in the incidence of tuberculosis. New York City reports a 44 percent increase in the number of cases of tuberculosis since 1984. Other urban areas have had similar experiences.

Tuberculosis is a particularly serious health problem for minority populations in the U.S. Over the past three decades, rates of tuberculosis have been consistently higher among racial minorities than among whites in the U.S. Furthermore, while the number and rates of cases of the diseases have decreased in the Nation, the rate of decrease has been much slower for nonwhites than for whites. As a result, the proportion of cases occurring among nonwhites increased from 23 percent in 1953 to 48 percent in 1985. In the U.S. in 1985, more than three-fifths of all reported cases occurred among racial and ethnic minorities, such as Blacks, Asians/Pacific Islanders, American Indians/Alaskan Natives, and Hispanics. Death rates from tuberculosis in 1985 were nearly four times higher for nonwhites than for non-Hispanic whites. Tuberculosis patients among minorities are generally much younger than non-Hispanic white patients. Among non-Hispanic whites, the 70- to 74-year age group had the greatest number of reported cases in 1985,

while among minorities, the number of cases was highest in the 25- to 29-year age group. The disease, therefore, will probably disappear among non-Hispanic whites long before it will among minorities. This is because transmission from older infected persons is relatively unlikely, while transmission from young adults to children is quite common.

Homeless populations suffer disproportionately from tuberculosis. The Centers for Disease Control reported in May 1987 that, since 1984, three outbreaks of the disease had been reported in shelters for the homeless. Recent investigations have shown prevalence rates of tuberculosis among selected homeless populations that are 150 to 300 times higher than the nationwide prevalence rate.

The Congress in 1981, as part of the Omnibus Budget Reconciliation Act, P.L. 97-35, authorized categorical tuberculosis funding authority under section 317 of the PHS Act. Funds appropriated under this authority have been used to award cooperative agreements to high-incidence metropolitan areas, and to intensify health department tuberculosis outreach activities. Special emphasis was placed on curing noncompliant patients by employing outreach workers to locate, motivate, and directly observe patients taking medication. Such activities are intended to prevent the transmission of infection to others, to avoid the development of drug resistance, and to eliminate the need for hospitalization. In the years since the original enactment of this authority, the Congress has continued to support the authority under section 317 and provide separate funding for tuberculosis control despite the recommendations of the Administration, which has proposed to eliminate the specific authority for funding for tuberculosis control programs and leave support for such programs to the discretion of States under their Preventive Health block grant allocations.

SEXUALLY TRANSMITTED DISEASE PREVENTION AND CONTROL

The growing spectrum of sexually transmitted diseases (STD) presents one of the most complex public health problems confronting our society. Until fairly recently, the scope of such diseases was limited just a few classical infections, led by gonorrhea and syphilis. At the present time however, literally dozens of organisms and syndromes are recognized as being sexually transmitted. The list of STD now includes Chlamydia infections, genital herpes, human papilloma virus, genital mycoplasma, cytomegalovirus, hepatitis, vaginitis, enteric infections, and ectoparasite diseases. These infections have achieved prominence in recent years as STD for the most part because: new diagnostic approaches have facilitated determining the extent, method of transmission, and clinical consequences of these infections; the incidence of these STD has increased, many at an alarming rate; a high proportion of systemic diseases are being sexually transmitted; and the key impact of STD on maternal and child health is now apparent.

An estimated 14 million cases of STD—including 2 million cases of gonorrhea; 85,000 cases of syphilis; 500,000 cases of genital herpes; 200,000 cases of hepatitis B; 3 million cases of trichomoniasis; 1 million cases of human papilloma virus; and 4 million cases

of chlamydia—threaten the health of Americans each year. These cases are particularly critical among adolescents and young adults. Approximately 2.5 million teenagers are infected with an STD annually and 65 percent of all STD cases occur among persons less than 25 years of age.

Women and children bear an inordinate share of the physical and emotional burden of STD. The most serious public health complications caused by STD are pelvic inflammatory disease (PID), infertility, ectopic pregnancy, adverse pregnancy outcome, infant pneumonia, infant death, mental retardation, and neoplasia.

With an estimated 4 million cases a year, chlamydia has become the most common STD in the Nation. It has become alarmingly common and is adding significantly to the increasing incidence of sterility among our young people. Between 7 and 14 percent of all pregnant women are infected by this disease. There are over 150,000 infants born to infected mothers, and they are at risk for pneumonia and conjunctivitis. In addition, chlamydia accounts for approximately 40 percent of the women with pelvic inflammatory disease, which frequently leads to sterility and unnecessarily deprives far too many families of the opportunity to have children.

The programs and projects for the prevention and control of sexually transmitted diseases authorized under section 318 of the PHS Act and administered by the Centers for Disease Control support a broad attack against STD. Project grants awarded to State and local health departments and appropriate public and nonprofit entities emphasize the reduction of STD morbidity and mortality. Program components carried out with technical and financial assistance under the project grant authority include screening, controlling outbreaks, maintaining surveillance systems, referral services, prevention messages to people at risk, clinical skills training, and other related activities.

NATIONAL HEALTH SERVICE CORPS

In 1970, Congress enacted P.L. 91-623, the Emergency Health Personnel Act, amending title III of the PHS Act to authorize a program for PHS personnel to volunteer their services in health manpower shortage areas. This legislation was enacted to address problems stemming from the uneven geographic distribution of health professionals in U.S. and the resulting inadequate access to health care services for many areas.

The Emergency Health Personnel Act Amendment of 1972, P.L. 92-585, established the National Health Service Corps (NHSC) as a defined unit within the PHS for the purpose of implementing the 1970 legislation. Specifically, the NHSC, staffed by officers of the PHS and other personnel as required by the Secretary of HHS, was established to provide health care services to persons in health manpower shortage areas through the placement in those areas of health professionals and health care resources. As of June 30, 1986, the Department of HHS had designated 1,906 primary health care shortage areas and 781 dental shortage areas.

The 1972 Act also established a NHSC scholarship program to obtain health professionals for placement in health manpower shortage areas. Under this program, health professions agreed to

serve in a health manpower shortage area in return for scholarship and stipend support. For each year that a scholarship was received, students agreed to serve in a health manpower shortage area for one year, with a minimum service obligation of two years. The scholarship recipient was required to fulfill the service obligation through the full-time clinical practice of his or her profession either as a commissioned officer in the Regular or Reserve Corps of the PHS (after a finding that he is qualified) or as a civilian member of the Corps; or, at the discretion of the individual, in private practice in a designated health manpower shortage area.

The NHSC assists communities in health manpower shortage areas to develop NHSC sites, to recruit and assign NHSC health professionals to these sites, and to establish and maintain health care delivery systems. Health professionals may be assigned to NHSC sites either as Federally employed practitioners or as private practitioners under the private practice option (PPO), private placement assignment (PPA), and private salaried assignment (PPS). PPO providers are employed in non-grant funded settings which provide an income on a fee-for-service or salaried basis. PPA providers differ in that they have a guaranteed salary and are employed by an entity that receives grant support from the Community Health Center and/or Migrant Health Center programs. Assignees employed under the PPS option are similar to those under the PPA approach, except that their assignments and their salaries are supported from other, non-Federal resources received by the entities employing them.

In 1987, there will be 245 Federal NHSC sites and 1,440 PPO/PPS/PPA sites staffed by NHSC health providers. For FY 1988, the Administration proposes to fund 228 Federal sites and 1,200 private practice option sites. The Administration expects to have, in FY 1988, 361 Federal assignees and 2,113 health professionals providing services through the various private practice options, for a combined field strength of 2,474 professionals providing health care through the NHSC. This total is down from 3,031 in FY 1987.

In FY 1988, a total of 425 new scholarship obligors will become available for service assignment by the NHSC, as compared with 950 obligors who became available for assignment in FY 1987. The Administration's approach to funding for the NHSC in recent years reflects its projections of the surplus of health professionals by the end of the decade, eliminating the need for Federal support for attempts to correct geographic maldistribution. No new NHSC scholarships have been awarded for several years and the scholarship program has concentrated on continuation grants for students already in the pipeline. Obligated students in the pipeline will be fully placed by 1990, according to current projections, and as a result, according to Administration plans, the NHSC will be gradually reduced. At the present time, the NHSC is serving only those manpower shortage areas with the highest priorities, but is not even meeting all of their needs. For instance, some areas may show a need for 5 or 10 physicians and other health professionals, but currently are assigned only one such professional. Other high priority areas do not receive any placement at all, because adequate support equipment are not available in those areas.

There is concern among those opposed to plans to reduce the site of the NHSC that even with projected increases in the supply of health professionals, certain areas will remain economically unattractive to health care providers, and unable to attract and permanently keep health professionals in these areas. There is particular concern about the Indian Health Service's ability to recruit and maintain adequate numbers of health professionals without the availability of NHSC obligors after 1990.

III. Text of the Bill as Reported

A BILL To continue authorization of various health and science programs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Omnibus Health and Science Reauthorization Act I of 1987".

[TITLE I—NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT

[SHORT TITLE

[Sec. 101. This title may be cited as the "National Science Foundation Authorization Act for Fiscal Years 1988 through 1992".

[AUTHORIZATION OF APPROPRIATIONS

[Sec. 102. Congress finds that to strengthen national economic productivity and competitiveness the programs of the National Science Foundation should be doubled in size over the next five years. To that end there is authorized to be appropriated to the National Science Foundation:

[(a) For the fiscal year 1988, $1,893,000,000. Such funds will be available for the following categories:

[(1) Biological, behavioral, and social sciences, $297,000,000.

[(2) Computer and information science and engineering, $143,000,000.

[(3) Engineering, $205,000,000.

[(4) Geosciences, $330,000,000.

[(5) Mathematical and physical sciences, $514,000,000.

[(6) Scientific, technological, and international affairs, $51,000,000.

[(7) Program development and management, $95,000,000.

[(8) Science and engineering education, $115,000,000.

[(9) United States Antarctic Program, $143,000,000.

[(b) For the fiscal year 1989, $2,158,000,000, including $1,877,000,000 for research and related activities, $134,000,000 for science and engineering education, and $147,000,000 for the United States Antarctic Program.

[(c) For the fiscal year 1990, $2,474,000,000.

[(d) For the fiscal year 1991, $2,831,000,000.

[(e) For the fiscal year 1992, $3,245,000,000.

[AVAILABILITY OF APPROPRIATIONS

[SEC. 103. Appropriations made under authority provided in section 102 shall remain available for obligation for periods specified in the Acts making the appropriations.

[CONSULTATION AND REPRESENTATION EXPENSES

[SEC. 104. From appropriations made under authorizations provided in this Act, not more than $7,500 may be used in each fiscal year for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the Foundation. The determination of the Director will be final and conclusive upon the accounting officers of the Government.

[TRANSFER OF FUNDS

[SEC. 105. (a) Funds may be transferred among the categories listed in section 102, so long as the net funds transferred to or from any category do not exceed 10 per centum of the amount authorized for that category in section 102.

[(b) In addition, the Director of the Foundation may propose transfers to or from any category exceeding 10 per centum of the amount authorized for that category in section 102. An explanation of any such proposed transfer must be transmitted in writing to the Committee on Science, Space, and Technology of the House, and the Committees on Labor and Human Resources and Commerce, Science, and Transportation of the Senate. The proposed transfer may be made only when thirty calendar days have passed after transmission of such written explanation.

[NATIONAL SCIENCE FOUNDATION ADMINISTRATIVE AMENDMENTS

[SEC. 106. (a) Section 4 of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1863) is amended by adding to its end a new subsection (k) as follows:

["(k) Portions of Board meetings in which the Board considers possible Foundation budgets for a particular fiscal year or other legislative proposals that might be submitted to Congress may be closed to the public until the President's budget for that fiscal year or the legislative proposal has been submitted to the Congress.".

[(b) Section 5(b) of the National Science Foundation Act of 1950 (42 U.S.C. 1864(b)) is amended to read:

["(b) Except as otherwise specifically provided in this Act (1) the Director is the head of the agency and shall exercise all the authority granted to the Foundation by this or any other Act (including any powers and functions which may be delegated to him by the Board), and (2) all actions taken by the Director pursuant to the provisions of this or any other Act (or pursuant to the terms of a delegation from the Board) shall be final and binding upon the Foundation.".

[(c) Section 7 of the National Science Foundation Act of 1950 (42 U.S.C. 1865) is amended to read:

["The Executive Committee of the Board shall be composed of the Director ex officio, who shall chair the Committee, and at least four other Board members elected by the Board. The Executive

Committee shall exercise such powers and functions as may be delegated to it by the Board.".

[(d) Section 14(d) of the National Science Foundation Act of 1950 (41 U.S.C. 1873(d)) is amended by inserting the words "Board and persons holding other offices in the Federal Government may serve as members of" before "special".

[(e) Subsection 15(c) of the National Science Foundation Act of 1950 (42 U.S.C. 1874(c)) is repealed.

[(f) Part B of the National Science Foundation Authorization and Science and Engineering Equal Opportunities Act (42 U.S.C. 1885 to 1885d; 94 Stat. 3010), as amended and redesignated by section 111 of the National Science Foundation Authorization Act for Fiscal Year 1986 (Public Law 99-159, 99 Stat. 892), is amended as follows:

[(1) Section 36(b) (42 U.S.C. 1885c(b)) is amended to read:

["(b) Each member of the committee shall be appointed by the Director of the National Science Foundation. Members shall be appointed to serve for a three-year term, and may be reappointed for an additional term of three years."

[(2) Section 36(f) (42 U.S.C. 1885c(f)) is amended to read as follows:

["(f) Every two years, the committee shall prepare and transmit to the Director a report on its activities during the previous two years and proposed activities for the next two years. The Director shall transmit to Congress the report, unaltered, along with comments.".

[TITLE II—IMMUNIZATION PROGRAM

[SHORT TITLE

[SEC. 201. This title may be cited as the "Immunization Program Authorization Act for Fiscal Years 1988 through 1990".

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 202. Section 317(j)(1) of the Public Health Service Act is amended by striking out "and" after "1986" and by inserting before the period a comma and "$94,000,000 for the fiscal year ending September 30, 1988, and such sums as may be necessary for fiscal years 1989 and 1990".

[TITLE III—SEXUALLY TRANSMITTED DISEASE CONTROL

[SHORT TITLE

[SEC. 301. This title may be cited as the "Sexually Transmitted Disease Control Authorization Act for Fiscal Years 1988 through 1990".

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 302. Section 1910 of the Public Health Service Act is amended by inserting before the period a comma and "$50,000,000 for the fiscal year ending September 30, 1988 and such sums as may be necessary for fiscal years 1989 and 1990".

[TITLE IV—HOMEMAKER/HOME HEALTH TRAINING GRANTS

[SHORT TITLE

[SEC. 401. This title may be cited as the "Homemaker/Home Health Training Grants Authorization Act for Fiscal Years 1988 through 1990".

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 402. Section 319(b)(5) of the Public Health Service Act is amended by striking out "and" and by inserting before the period a comma and "and $5,000,000 for each of the fiscal years 1988, 1989 and 1990".

[TITLE V—ORGAN PROCUREMENT

[SHORT TITLE

[SEC. 501. This title may be cited as the "Organ Procurement Authorization Act for Fiscal Years 1988 through 1990".

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 502. Section 371(c) of the Public Health Service Act is amended by striking out "and" after "1986" and by inserting before the period a comma and "and such sums as may be necessary for fiscal years 1988, 1989, and 1990".

[TITLE VI—EMERGENCY MEDICAL SERVICES FOR CHILDREN

[SHORT TITLE

[SEC. 601. This title may be cited as the "Emergency Medical Services for Children Authorization Act for Fiscal Years 1988 through 1990".

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 602. Section 1910 of the Public Health Service Act is amended by striking out "and for each of the two succeeding fiscal years." and by inserting a comma and "$2,000,000 for the fiscal year ending September 30, 1988, fiscal year 1989 and fiscal year 1990.".

[TITLE VII—NATIONAL CENTER FOR HEALTH STATISTICS

[SHORT TITLE

[SEC. 701. This title may be cited as the "National Center for Health Statistics Authorization Act for Fiscal Years 1988 through 1990".

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 702. Section 308(i)(2) of the Public Health Services Act is amended by striking out "and" after "1986" and by inserting before the period a comma and "$52,000,000 for the fiscal year

ending September 30, 1988, and such sums as may be necessary for fiscal years 1989 and 1990".

[TITLE VIII—TUBERCULOSIS CONTROL

[SHORT TITLE

[SEC. 801. This title may be cited as the "Tuberculosis Control Authorization Act for 1988 through 1990".

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 802. Section 317(j)(2) of the Public Health Service Act is amended by striking out "and" after "1986" and by inserting before the period a comma and "$12,000,000 for the fiscal year ending September 1987, and such sums as may be necessary for fiscal years 1989 and 1990".]

That this Act may be cited as the "Public Health Service Amendments of 1987".

REFERENCE

SEC. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—HEALTH SERVICES RESEARCH, HEALTH CARE TECHNOLOGY, HEALTH STATISTICS, AND PREVENTIVE HEALTH PROGRAMS

NATIONAL CENTER FOR HEALTH SERVICES RESEARCH AND HEALTH CARE TECHNOLOGY

SEC. 101. Section 308(i)(1) is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "For health service research, evaluation, and demonstration activities undertaken or supported under section 304 or 305, there are authorized to be appropriated $26,500,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990; and

(2) by striking out beginning with "$3,000,000" in the third sentence through "1987" and inserting in lieu thereof "$4,000,000 for each of the fiscal years 1988, 1989, and 1990".

NATIONAL CENTER FOR HEALTH STATISTICS

SEC. 102. (a) Section 308(i)(2) is amended to read as follows:

"(2) For health statistical and epidemiological activities undertaken or supported under section 304 or 306, there are authorized to be appropriated $55,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.".

(b)(1) Section 306(k) is amended—

(A) by striking out "fifteen" in paragraph (1) and inserting in lieu thereof "sixteen";

(B) by striking out "three" in the second sentence of paragraph (2)(A) and inserting in lieu thereof "four"; and

(C) by striking out paragraph (2)(B) and inserting in lieu thereof the following:

"(B)(i) In the case of membership terms on the Committee under this subsection (as in effect prior to January 1, 1988) which expire in calendar year 1988, the appointments to three such terms in such calendar year shall be for a period of four years and the appointments to two such terms in such calendar year shall be for a period of three years, as designated by the Secretary.

"(ii) In the case of membership terms on the Committee under this subsection (as in effect prior to January 1, 1988) which expire in calendar year 1989, one such term shall be extended for an additional consecutive one-year period, as designated by the Secretary.

"(iii) In the case of membership terms on the Committee under this subsection (as in effect prior to January 1, 1988) which expire in calendar year 1990, two of such terms shall each be extended for an additional consecutive one-year period, as designated by the Secretary.".

(2) The amendments made by this subsection shall take effect January 1, 1990.

(c) Section 304(d) is repealed.

(d) Section 306(l) is repealed.

(e)(1) Section 308(a) is amended—

(A) by striking out paragraph (1),

(B) by redesignating paragraph (2) as paragraph (1) and (in such paragraph)—

(i) by striking out "the National Center for Health Services Research and"; and

(ii) by striking out "December 1" and inserting in lieu thereof "March 15"; and

(C) by redesignating paragraph (3) as paragraph (2) and (in such paragraph) by striking out "or (2) of this subsection".

(2) The first sentence of section 404(a) of the Health Services and Centers Amendments of 1978 is amended—

(A) by striking out "December 1" each place it occurs and inserting in lieu thereof "March 15", and

(B) by striking out "1980" and inserting in lieu thereof "1990".

(3) The amendments made by paragraphs (1) and (2) apply to reports and profiles required to be submitted after November 1, 1987.

COUNCIL ON HEALTH CARE TECHNOLOGY

SEC. 103. (a) Section 308(i)(1) (as amended by section 101 of this Act) is further amended by striking out the fourth sentence and inserting in lieu thereof the following: "For grants under section 309 the Secretary shall obligate not less than $750,000 for each of the fiscal years 1988, 1989, and 1990. Grants under such section for each such fiscal year shall be subject to the provisions of section 309(a)(2)(B) applicable to such fiscal year.".

(b) Section 309(a)(2)(B) is amended by striking out "at least twice the amount of the grant applied for" and inserting in lieu thereof "(i) at least the amount of the grant applied for (in the case of a grant for fiscal year 1988 or 1989), or (ii) at least twice the amount of the grant applied for (in the case of a grant for fiscal year 1990)".

PROJECT GRANTS FOR PREVENTIVE HEALTH PROJECTS FOR IMMUNIZATIONS

SEC. 104. (a) Section 317(j)(1) is amended--

(1) by striking out "For" and inserting in lieu thereof the following: "(A) Except for grants for immunization programs the authorization of appropriations for which are established in subparagraph (B), for";

(2) by striking out "and" after "1986,";

(3) by striking out the period and inserting in lieu thereof a comma and "$94,000,000 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990."; and

(4) by adding at the end the following new subparagraphs:

"(B) For grants under subsection (a) for preventive health service programs for the provision of immunizations with vaccines approved for use, and recommended for routine use, after the date of the enactment of this subparagraph, there are authorized to be appropriated for such sums as may be necessary for each of the fiscal years 1988, 1989, and 1990.

"(C) Upon the implementation of subtitle 2 of title XXI, there are authorized to be appropriated for grants under subsection (a) for which appropriations are authorized in subparagraph (A) of this paragraph such sums as may be necessary for fiscal years 1988 through 1990 to make such grants.".

(b)(1) The Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control, shall acquire and maintain a supply of vaccines sufficient to provide vaccinations throughout a 6-month period.

(2) There are authorized to be appropriated to carry out paragraph (1) $5,000,000 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990.

PROJECT GRANTS FOR PREVENTIVE HEALTH PROJECTS FOR TUBERCULOSIS; ADDITIONAL PROGRAMS

SEC. 105. (a) Section 317(j)(2) is amended to read as follows:

"(2) For grants under subsection (a) for preventive health service programs for tuberculosis, and for grants under section 317A, there are authorized to be appropriated $22,000,0000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990. Not more than 10 percent of the total amount appropriated under the preceding sentence for any fiscal year shall be available for grants under section 317A(b) for such fiscal year.".

(b) Part B of title III is amended by inserting after section 317 the following new section:

"ADDITIONAL PROGRAMS RELATING TO PREVENTIVE HEALTH SERVICES AND TUBERCULOSIS

"SEC. 317A. (a) The Secretary may make grants to States, political subdivisions of States, and other public and nonprofit private entities for—

"(1) research into the prevention and control of diseases which may be prevented through vaccination;

"(2) demonstration projects for the prevention and control of such diseases;

"(3) public information and education programs for the prevention and control of such diseases; and

"(4) education, training, and clinical skills improvement activities in the prevention and control of such diseases for health professionals (including allied health personnel).

"(b) The Secretary may make grants to States, political subdivisions of States, and other public and nonprofit private entities for—

"(1) research into the prevention and control of tuberculosis, especially research concerning strains of tuberculosis resistant to drugs and research concerning cases of tuberculosis that affect certain populations;

"(2) demonstration projects for the prevention and control of tuberculosis;

"(3) public information and education programs for prevention and control of tuberculosis; and

"(4) education, training, and clinical skills improvement activities in the prevention and control of tuberculosis for health professionals, including allied health personnel.

"(c) No grant may be made under this section unless an application therefor is submitted to the Secretary in such form, at such time, and containing such information as the Secretary may by regulation prescribe.

"(d) Subsections (d), (e), and (f) of section 317 shall apply to grants under this section in the same manner as such subsections apply to grants under subsection (a) of section 317.".

PROJECTS AND PROGRAMS FOR THE PREVENTION AND CONTROL OF SEXUALLY TRANSMITTED DISEASES

SEC. 106. Section 318 is amended—

(1) by striking out paragraph (1) of subsection (e) and inserting in lieu thereof the following:

"(1)(A) For grants under subsections (b), (c), and (d), there are authorized to be appropriated $100,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.

"(B) For grants under subsection (b) for any fiscal year, the Secretary shall obligate not less than 10 percent of the total amount appropriated for such fiscal year under subparagraph (A).

"(C) Grants made under subsection (b), (c), or (d) shall be made under such terms and conditions as the Secretary finds necessary to carry out the purposes of such subsection, and payments under any such grants shall be made in advance or by way of reimbursement and in such installments as the Secretary finds necessary."; and

(2) by adding at the end thereof the following new subsection:

"(h) Grants under subsections (b) and (c) shall include grants for the prevention and control of, and grants for research and other projects, programs, and activities relating to, chlamydia.".

TITLE II—NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM

ESTABLISHMENT OF LOAN REPAYMENT PROGRAM

SEC. 201. Subpart II of part D of title III is amended—

(1) by redesignating section 338G as section 338I;

(2) by redesignating sections 338B through 338F as sections 338C through 338G, respectively; and

(3) by inserting after section 338A the following new section:

"NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM

"SEC. 338B. (a) The Secretary shall establish a program to be known as the National Health Service Corps Loan Repayment Program (hereafter in this subpart referred to as the 'Loan Repayment Program') in order to assure an adequate supply of trained physicians, dentists, and nurses for the Corps and, if needed by the Corps, to assure an adequate supply of podiatrists, optometrists, pharmacists, clinical psychologists, graduates of schools of veterinary medicine, graduates of schools of public health, graduates of programs in health administration, graduates of programs for the training of physician assistants, expanded function dental auxiliaries, and nurse practitioners (as defined in section 822), and other health professionals.

"(b) To be eligible to participate in the Loan Repayment Program, an individual must—

"(1)(A) be enrolled—

"(i) as a full-time student—

"(I) in an accredited (as determined by the Secretary) educational institution in a State; and

"(II) in the final year of a course of study or program, offered by such institution and approved by the Secretary, leading to a degree in medicine, osteopathy, dentistry, or other health profession; or

"(ii) in an accredited graduate training program in medicine, osteopathy, dentistry, or other health profession; or

"(B) have—

"(i) a degree in medicine, osteopathy, dentistry, or other health profession;

"(ii) completed an accredited graduate training program in medicine, osteopathy, dentistry, or other health profession in a State (except as provided in the last sentence of this subsection); and

"(iii) a license to practice medicine, osteopathy, dentistry, or other health profession in a State;

"(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for civilian service in the Corps;

"(3) submit an application to participate in the Loan Repayment Program; and

"(4) sign and submit to the Secretary, at the time of the submission of such application, a written contract (described in subsection (f)) to accept repayment of educational loans and to

serve (in accordance with this subpart) for the applicable period of obligated service in a health manpower shortage area.

The Secretary may waive the requirement of paragraph (1)(B)(ii) for good cause.

"(c) In disseminating application forms and contract forms to individuals desiring to participate in the Loan Repayment Program, the Secretary shall include with such forms—

"(1) a fair summary of the rights and liabilities of an individual whose application is approved (and whose contract is accepted) by the Secretary, including in the summary a clear explanation of the damages to which the United States is entitled under section 338E in the case of the individual's breach of the contract; and

"(2) information respecting meeting a service obligation through private practice under an agreement under section 338D and such other information as may be necessary for the individual to understand the individual's prospective participation in the Loan Repayment Program and service in the Corps.

The application form, contract form, and all other information furnished by the Secretary under this subpart shall be written in a manner calculated to be understood by the average individual applying to participate in the Loan Repayment Program. The Secretary shall make such application forms, contract forms, and other information available to individuals desiring to participate in the Loan Repayment Program on a date sufficiently early to ensure that such individuals have adequate time to carefully review and evaluate such forms and information.

"(d)(1) In determining which applications under the Loan Repayment Program to approve (and which contracts to accept), the Secretary shall give priority to applications made by—

"(A) individuals whose training is in a health profession or specialty determined by the Secretary to be needed by the Corps;

"(B) individuals who are committed to service in medically underserved areas; and

"(C) individuals who are more immediately available for service.

"(2) In reviewing the applications of two or more individuals with equivalent qualifications for participation in the Loan Repayment Program, the Secretary shall give preference to the individual with the lowest amount of total outstanding loan obligations for principal, interest, and related expenses for which repayments may be made under subsection (g).

"(e)(1) An individual becomes a participant in the Loan Repayment Program only upon the Secretary's approval of the individual's application submitted under subsection (b)(3) and the Secretary's acceptance of the contract submitted by the individual under subsection (b)(4).

"(2) The Secretary shall provide written notice to an individual promptly upon—

"(A) the Secretary's approving, under paragraph (1), of the individual's participation in the Loan Repayment Program; or

"(B) the Secretary's disapproving an individual's participation in such Program.

"(f) The written contract (referred to in this subpart) between the Secretary and an individual shall contain—

"(1) an agreement that—

"(A) subject to paragraph (3), the Secretary agrees (i) to pay on behalf of the individual loans in accordance with subsection (g), and (ii) to accept (subject to the availability of appropriated funds for carrying out sections 331 through 335 and section 337) the individual into the Corps (or for equivalent service as otherwise provided in this subpart); and

"(B) subject to paragraph (3), the individual agrees—

"(i) to accept loan payments on behalf of the individual;

"(ii) in the case of an individual described in subsection (b)(1)(A), to maintain enrollment in a course of study or training described in such subsection until the individual completes the course of study or training;

"(iii) in the case of an individual described in subsection (b)(1)(A), while enrolled in such course of study or training, to maintain an acceptable level of academic standing (as determined under regulations of the Secretary by the educational institution offering such course of study or training); and

"(iv) to serve for a time period (hereafter in the subpart referred to as the 'period of obligated service') equal to 2 years or such longer period as the individual may agree to, in a health manpower shortage area (designated under section 332) to which such individual is assigned by the Secretary as a member of the Corps or under section 338D;

"(2) a provision permitting the Secretary to extend for a 1-year period or such longer period, as the individual may agree to, the period of obligated service agreed to by the individual under paragraph (1)(B)(iv);

"(3) a provision that any financial obligation of the United States arising out of a contract entered into under this subpart and any obligation of the individual which is conditioned thereon, is contingent upon funds being appropriated for loan repayments under this subpart and to carry out the purposes of sections 331 through 335 and sections 337 and 338;

"(4) a statement of the damages to which the United States is entitled, under section 338E for the individual's breach of the contract; and

"(5) such other statements of the rights and liabilities of the Secretary and of the individual, not inconsistent with the provisions of this subpart.

"(g)(1) A loan repayment provided for an individual under a written contract under the Loan Repayment Program shall consist of payment, in accordance with paragraph (2), on behalf of the individual of the principal, interest, and related expenses on government and commercial loans received by the individual for—

"(A) tuition expenses;

"(B) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the individual; or

"(C) reasonable living expenses as determined by the Secretary.

"(2) For each year of obligated service that an individual contracts to serve under subsection (f) the Secretary may pay up to $20,000 on behalf of the individual for loans described in paragraph (1), except as provided in paragraph (3).

"(3) In any case in which payments on behalf of an individual under the Loan Repayment Program result in an increase in Federal, State, or local income tax liability for such individual, the Secretary may, on the request of such individual, make payments to such individual in a reasonable amount, as determined by the Secretary, to reimburse such individual for such increased tax liability. The total of the payments made on behalf of an individual under paragraph (1) and the payments made to an individual under this paragraph may exceed $20,000 for each year of obligated service the individual contracts to serve under subsection (f).

"(4) The Secretary may enter into an agreement with the holder of any loan for which payments are made under the Loan Repayment Program to establish a schedule for the making of such payments if the establishment of such a schedule would result in reducing the costs to the United States under the Loan Repayment Program.

"(h) Notwithstanding any other provision of law, individuals who have entered into written contracts with the Secretary under this section, while undergoing academic or other training, shall not be counted against any employment ceiling affecting the Department.

"(i) The Secretary shall, not later than March 1 of each year, submit to the Congress a report specifying—

"(1) the number, and type of health profession training, of individuals receiving loan payments under the Loan Repayment Program;

"(2) the educational institution at which such individuals are receiving their training;

"(3) the number of applications filed under this section in the school year beginning in such year and in prior school years; and

"(4) the amount of loan payments made in the year reported on.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 202. (a) Section 303(d)(4) is amended—

(1) by striking out "752 or 753" each place it appears and inserting in lieu thereof "338C or 338D"; and

(2) by striking out "subpart IV of part C of title VII" and inserting in lieu thereof "subpart II of part D".

(b) Section 331 is amended—

(1) in subsection (b), by striking out "and the Scholarship Program" and inserting in lieu thereof ", the Scholarship Program, and the Loan Repayment Program";

(2) in subsection (c), by striking out "338C" and inserting in lieu thereof "338D";

(3) in subsection (d)(2), by inserting after "Program" the following: "or the Loan Repayment Program";

(4) in subsection (f), by striking out "Scholarship Program" and inserting in lieu thereof "Scholarship Program or the Loan Repayment Program"; and

(5) in subsection (h), by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) The term 'Loan Repayment Program' means the National Health Service Corps Loan Repayment Program established under section 338B.".

(c) Section 334(a)(3)(B) is amended by inserting "or the Loan Repayment Program" after "Program".

(d) Section 336(a) is amended by striking "scholarship program" and inserting "Scholarship Program or Loan Repayment Program".

(e) Section 338E (as redesignated by section 201 of this Act) is amended—

(1) in subsection (a), by inserting "(1)" after "(a)", by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and by adding at the end thereof the following:

"(2) An individual who has entered into a written contract with the Secretary under section 338B and who—

"(A) in the case of an individual who is enrolled in the final year of a course of study, fails to maintain an acceptable level of academic standing in the educational institution in which such individual is enrolled (such level determined by the educational institution under regulations of the Secretary) or voluntarily terminates such enrollment or is dismissed from such educational institution before completion of such course of study; or

"(B) in the case of an individual who is enrolled in a graduate training program, fails to complete such training program and does not receive a waiver from the Secretary under the last sentence of section 338B(b),

in lieu of any service obligation arising under such contract shall be liable to the United States for the amount which has been paid on his behalf under the contract.";

(2) in subsection (b)(1)—

(A) by inserting "under section 338A" after "service obligation";

(B) by striking out "338C" each place it appears and inserting in lieu thereof "338D";

(C) by striking out "338B" each place it appears and inserting in lieu thereof "338C"; and

(D) by striking out "338E(d)" and inserting in lieu thereof "338F(d)"; and

(3) by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following:

"(c)(1) If (for any reason not specified in subsection (a) or section 338F(d)) an individual breaches the written contract of the individual under section 338B by failing either to begin such individual's service obligation in accordance with section 338C or 338D or to complete such service obligation, the United States shall be entitled to recover from the individual an amount equal to the sum of—

"(A) the total of the amounts prepaid by the United States on behalf of the individual;

"(B) the interest on the amounts described in subparagraph (A) which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum prevailing rate, as determined by the Treasurer of the United States; and

"(C) an amount equal to the unserved obligation penalty.

"(2) For purposes of paragraph (1)(C), the term 'unserved obligation penalty' means the amount equal to the product of number of months of obligated service which were not completed by an individual, multiplied by $500.

"(3) The Secretary, in the discretion of the Secretary, may reduce the amount which the United States would otherwise be entitled to recover from an individual under paragraph (1)(A) if the Secretary determines that such individual has performed a sufficient amount of obligated service to warrant such a reduction.

"(4) The Secretary may waive, in whole or in part, the rights of the United States to recover amounts under this section in any case of extreme hardship, as determined by the Secretary.

"(5) Damages which the United States is entitled to recover shall be paid in accordance with the last sentence of subsection (b)(1).";

(4) in subsection (d) (as redesignated by clause (3) of this subsection), by inserting "or the Loan Repayment Program (or a contract thereunder)" after "thereunder)" each place it appears; and

(5) in the section heading, by adding "OR LOAN REPAYMENT CONTRACT" after "CONTRACT".

(f) Part D of title III is amended—

(1) by redesignating subparts III and IV as subparts IV and V, respectively; and

(2) by inserting before section 338A the following:

"Subpart III—Scholarship Program and Loan Repayment Program".

AUTHORIZATION OF APPROPRIATIONS WITH RESPECT TO SCHOLARSHIP PROGRAM AND LOAN REPAYMENT PROGRAM

SEC. 203. Part D of title III is amended by striking out section 338G (as redesignated by section 201(2) of this Act) and inserting in lieu thereof the following:

"REPORT AND AUTHORIZATION OF APPROPRIATIONS

"SEC. 338G. (a) The Secretary shall report on January 20 of each year to the Committee on Labor and Human Resources of the Senate, the Committee on Energy and Commerce of the House of Representatives, and the Committees on Appropriations of the Senate and the House of Representatives the number of providers of health care who will be needed for the Corps during the 3 fiscal years beginning after the date the report is filed and the number—

"(1) of scholarships the Secretary proposes to provide under the Scholarship Program during such 3 fiscal years;

"(2) of individuals for whom the Secretary proposes to make loan repayments under the Loan Repayment Program during such 3 fiscal years; and

"(3) of individuals who have no obligation under section 338C and who the Secretary proposes to have as members of the Corps during such 3 fiscal years,

in order to provide such number of health care providers.

"(b) There are authorized to be appropriated such sums as may be necessary for scholarships and loan repayments under this subpart.

"STATE PROGRAMS

"SEC. 338H. (a) The Secretary may make grants to States to support the establishment by States of State programs similar to the Loan Repayment Program. Any State program supported with a grant under this section shall—

"(1) provide for the repayment of government and commercial loans for the tuition, educational expenses, and living expenses described in section 338B(g)(1); and

"(2) shall be conducted in conformance with the description of such program contained in the application required under subsection (b).

"(b) No grant may be made under this section for a State program unless an application therefor is submitted to the Secretary, in such form, at such time, and containing such information as the Secretary may prescribe. Each such application shall contain such standards for the designation of medically underserved areas under the State program and the determination of obligated service under the State program as may be acceptable to the Secretary.

"(c) The Federal share of the costs of any State program supported under this section shall not exceed 75 percent.

"(d) To carry out this section, there are authorized to be appropriated $1,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.".

TITLE III—FURTHER REVISIONS AND EXTENSIONS OF THE PROGRAM FOR THE NATIONAL HEALTH SERVICE CORPS

DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS

SEC. 301. Section 332 is amended—

(1) in subsection (a)(1), by adding at the end thereof the following: "The Secretary shall not remove an area from the areas determined to be health manpower shortage areas under clause (A) of the preceding sentence until the Secretary has afforded interested persons and groups in such area an opportunity to provide data and information in support of the designation as a health manpower shortage area or a population group described in clause (B) of such sentence or a facility described in clause (C) of such sentence, and has made a determination on the basis of the data and information submitted by such persons and groups and other data and information available to the Secretary."; and

(2) in subsection (b)(2)—

(A) by striking out "and" after "services," in subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and"; and

(C) by adding at the end the following new subparagraph:

"(D) ability to pay for health services.".

OBLIGATED SERVICE

SEC. 302. Section 338C (as redesignated by section 201(2) of this Act) is amended—

(1) in subsection (a), by striking out "338C" and inserting in lieu thereof "338D" and by inserting "or 338B" after "338A";

(2) in subsection (b)(1), by inserting "or 338B(f)(1)(B)(iv)" after "(iv)";

(3) by striking out subsection (b)(5) and inserting in lieu thereof the following:

"(5)(A) In the case of the Scholarship Program, with respect to an individual receiving a degree from a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that—

"(i) at the request of such an individual with whom the Secretary has entered into a contract under section 338A prior to October 1, 1985, the Secretary shall defer such date until the end of the period of time (not to exceed the number of years specified in subparagraph (B) or such greater period as the Secretary, consistent with the needs of the Corps, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training; and

"(ii) at the request of such an individual with whom the Secretary has entered into a contract under section 338A on or after October 1, 1985, the Secretary may defer such date in accordance with the provisions of clause (i).

"(B)(i) In the case of the Scholarship Program, with respect to an individual receiving a degree from a school of medicine, osteopathy, or dentistry, the number of years referred to in subparagraph (A)(i) shall be three years.

"(ii) In the case of the Scholarship Program, with respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the number of years referred to in subparagraph (A)(i) shall be one year.

"(C) No period of internship, residency, or other advanced clinical training shall be counted toward satisfying a period of obligated service under this subpart.

"(D) In the case of the Scholarship Program, with respect to an individual receiving a degree from an institution other than a school referred to in subparagraph (A), the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes his academic training leading to such degree.

"(E) In the case of the Loan Repayment Program, if an individual is required to provide obligated service under such Program, the date referred to in paragraphs (1) through (4)—

"(i) shall be the date determined under subparagraph (A), (B), or (D) in the case of an individual who is enrolled in the final year of a course of study;

"(ii) shall, in the case of an individual who is enrolled in an accredited graduate training program in medicine, osteopathy, dentistry, or other health profession, be the date the individual completes such training program; and

"(iii) shall, in the case of an individual who has a degree in medicine, osteopathy, dentistry, or other health profession and who has completed graduate training, be the date the individual enters into an agreement with the Secretary under section 338B.";

(4) in subsection (c)(2), by striking out "338C" and inserting in lieu thereof "338D"; and

(5) in subsection (e), by inserting ", under the Loan Repayment Program," after "Program".

PRIVATE PRACTICE

SEC. 303. Section 338D of the Public Health Service Act (as redesignated by section 201(2) of this Act) is amended—

(1) in subsection (a), by striking out "338B(a)" and inserting in lieu thereof "338C(a)";

(2) in subsection (a)(1), by inserting after "individual" the following: "who received a scholarship under the Scholarship Program and" and by inserting before the semicolon in such subsection the following: "or in the case of an individual for whom a loan payment was made under the Loan Repayment Program and who is performing obligated service as a member of the Corps in a health manpower shortage area on the date of his application for such a release, in the health manpower shortage area selected by the Secretary";

(3) in subsection (a)(2), by inserting before the period "selected by the Secretary";

(4) in subsection (b), by inserting at the end the following: "The Secretary shall take such action as may be appropriate to assure that the conditions of the written agreement prescribed by this subsection are adhered to.";

(5) in subsection (c), by inserting "or 338B" after "338A"; and

(6) in subsection (e), by striking out paragraph (1) and by striking "(2)" before "Upon".

SPECIAL LOANS FOR CORPS MEMBERS TO ENTER PRIVATE PRACTICE

SEC. 304. Section 338F (as redesignated by section 201(2) of this Act) is amended—

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) The Secretary may, out of appropriations authorized under section 338, make one loan to a Corps member who has agreed in writing—

"(1) to engage in the private full-time clinical practice of his profession in a health manpower shortage area (designated under section 332) for a period of not less than two years which—

"(A) in the case of a Corps member who is required to complete a period of obligated service under this subpart,

begins not later than one year after the date on which such individual completes such period of obligated service; and

"(B) in the case of an individual who is not required to complete a period of obligated service under this subpart, begins at such time as the Secretary considers appropriate;

"(2) to conduct such practice in accordance with the provisions of section 338D(b)(1); and

"(3) to such additional conditions as the Secretary may require to carry out the purposes of this section.

Such a loan shall be used to assist such individual in meeting the costs of beginning the practice of such individual's profession in accordance with such agreement, including the costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. Such loan may not be used for the purchase or construction of any building.

"(b) The amount of a loan under subsection (a) to an individual shall not exceed $25,000.".

(2) in subsection (c), by striking "grant or" in the first sentence; and

(3) in subsection (d)(1)—

(A) by striking "338D(b)" and inserting "338E(b)"; and

(B) by striking "this section," and inserting "this section (as in effect prior to October 1, 1984),".

AUTHORIZATIONS OF APPROPRIATIONS WITH RESPECT TO GENERAL OPERATIONS OF NATIONAL HEALTH SERVICE CORPS

SEC. 305. Section 338(a) is amended to read as follows:

"(a) To carry out this subpart and section 338F, there are authorized to be appropriated $65,000,000 for fiscal year 1988, $65,000,000 for fiscal year 1989, and $65,000,000 for fiscal year 1990.".

EFFECTIVE DATE

SEC. 306. Except as provided in sections 102(b)(2) and 102(e)(3), this Act and the amendments made by this Act shall take effect October 1, 1987.

Amend the title so as to read: "A bill to extend the authorization of appropriations for programs and activities under title III of the Public Health Service Act, to establish a National Health Service Corps Loan Repayment Program, to otherwise revise and extend the program for the National Health Service Corps, and for other purposes.".

IV. COMMITTEE VIEWS

This legislation extends and revises the authorization of various public health programs under Title III of the Public Health Service Act. The Committee reaffirms its commitment to these public health endeavors intending that their works be continued in order to assure and improve our nation's high level of public health and public health services.

NATIONAL CENTER FOR HEALTH SERVICES RESEARCH AND HEALTH CARE TECHNOLOGY

The Committee supports continued intramural and extramural research, evaluation and training into the organization, financing, quality and utilization of health services. The Committee continues to believe that the information developed by these programs is important to the development of sound health policy and toward that end encourages the continuation of studies and publications without regard to partisan considerations.

As an example, dental health services research provides policy makers with information critical to an adequate understanding of current national dental expenditures. While relatively low cost as compared with hospital care, dentistry is a high frequency service that routinely affects the vast majority of Americans. Current national dental expenditures approach $32.8 billion, with dental cost increases surpassing the consumer price index during the early 1980's. The Committee notes that dramatic changes have occurred in the organization, financing, and delivery of dental care, as well as in population demographics and dental disease rates. Understanding these changes and their impact on health care is vital to maintaining high quality of care while improving the cost effectiveness of our nation's oral health care delivery system. The Committee wishes to clarify that the NCHSR is an appropriate entity to fund dental health services research.

S. 1158 authorizes $26,500,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990. For continuation of the work of the National Advisory Council on Health Care Technology Assessment there are authorized $4,000,000 for each of the fiscal years 1988, 1989 and 1990.

NATIONAL CENTER FOR HEALTH STATISTICS

The Committee affirms its support of the Center's programs which gather and report health statistics which are essential to health planners and administrators both in government and in the private sector. The Committee is supportive of the plan to have the Center report to the Assistant Secretary's Office through the Director of the Centers for Disease Control. For continuation of the Center's work there are authorized $55,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.

Because members of the National Committee on Vital and Health Statistics have become most valuable to the Center after having two years of experience, the Committee has amended the law to lengthen the term of service from three to four years. The number of members has been increased by one, from 15 to 16 members. A transition mechanism has been included in the law.

To allow utilization of the most recent information, the "due date" of the Centers annual report on the health of the nation, "Health, United States," has been changed from December 1st to March 15th.

Because a data and statistics gathering organization such as the Center, lacks the tools to develop and carry out studies of environmental conditions which effects adversely the public health, the

provision requiring such a study has been deleted. The Secretary of HHS has sufficient authority to act as necessary in this area already. For the same reasons and because of a cost estimate of $3 million dollars per year, the Committee has removed the requirement that the Center conduct an ongoing study on the health costs of pollution and other environmental conditions resulting from human activity.

COUNCIL ON HEALTH CARE TECHNOLOGY

The Committee continues to support this program which it believes provides an important forum for joint government and private cooperation to promote the development of methods of health care technology assessment. The Committee recognizes that the transition period envisioned by the original legislation was too short and has therefore amended the law to continue until the Council becomes self-supporting the fifty-fifty split between government and private support for the Council for fiscal years 1988 and 1989. In 1990, private support is to be at least twice the amount of government support. This legislation also clarifies that the matching funds are only available during the year in which they are authorized.

PREVENTIVE HEALTH PROJECTS FOR IMMUNIZATIONS

The Committee supports and reauthorizes the Federal programs which provide protection against vaccine preventable disease. For continuation of current vaccine programs the Committee authorizes $94,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.

This legislation contains a new provision which authorizes such sums as may be necessary for each of the fiscal years 1988, 1989 and 1990 for programs to provide immunizations with vaccines which are approved and recommended for routine use after enactment of this legislation.

In addition, new legislative language in this section of S. 1158 provides authorization of such sums as may be necessary for fiscal years 1988 through 1990 for the National Vaccine Injury Compensation Act, after it is implemented, and directs the Secretary of HHS through the Director of the DCC to acquire and maintain a supply of vaccines sufficient for a 6-month period. This mandate is based upon the recent experience of a shortage of several standard childhood vaccines. The committee authorizes $5,000,000 for fiscal year 1988 and such sums for 1989 and 1990 for purchase and maintenance of the vaccine supply.

PREVENTIVE HEALTH PROJECTS FOR TUBERCULOSIS

Recognizing that the number of reported cases of tuberculosis has increased nationally by approximately 2.5 percent and in some areas by 44 percent, the Committee authorizes $22,000,000 for fiscal year 1989 and such sums as may be necessary for fiscal years 1989 and 1990. Because of the alarming increase in the number of tuberculosis infections caused by organisms resistant to standard antibiotic therapy this legislation calls for the Secretary of HHS to develop programs aimed at dealing with infections with resistant

strains. Additionally, the Committee has recognized that AIDS patients and other special groups are at higher than ordinary risk from tuberculosis. In consideration of this circumstance language has been included to provide for programs of research in this area. Demonstration projects, public information and education for prevention and control as well as programs for educating and training health professional and allied health personnel have been included to combat the increasing tuberculosis problem facing our nation.

The increased authorization is to allow current methodologies to be targeted toward pockets of tuberculosis in special population including blacks, Asians and hispanics. Intensive use of available technics and treatments is expected to eliminate a considerable portion of the tuberculosis problem and to reverse the recent trend of increased incidence. Secondly, the increased authorization is to allow for research into improved diagnostic tests (for example to reduce the 6 days needed for a diagnosis using cultures by developing a test which can be completed in one day) and treatments. It is anticipated that the Pittsfield Consensus Plan published in 1986 will serve as the guide in the research area. Finally a portion of the increased authorization will be directed toward technology transfer. For example, technicians need to be trained in the latest culture techniques, and information on the latest and shortened treatment regimen needs to be taken to the field.

SEXUALLY TRANSMITTED DISEASES

The Committee recognizes that in the recent past, a greater percentage of resources in these programs have been, necessarily, expended on the AIDS epidemic. Unfortunately this has occurred at a time when the less well known but serious, and until recently difficult to diagnose, infection by Chlamydia has become an alarming problem. The Committee therefore authorizes $100,000,000 for fiscal year 1988 and such sums as necessary for 1989 and 1990. Language has been included specifically directing that programs for Chlamydia control, prevention and research be developed. It is the Committee's intent that a substantial part of the increase in the appropriation compared to last year be directed toward Chlamydia programs which are now possible because of the development of a relatively inexpensive diagnostic test for Chlamydia. The Committee also recognizes the need to increase the number of health professionals trained in the area of Sexually Transmitted Diseases and encourages expansion of the intramural and extramural CDC supported training programs.

NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM

This legislation authorizes the creation of a second method of attracting health professionals to join the Corps. This plan offers payment of up to $20,000/year toward repayment of the debt incurred by the health professional during his/her education. The Committee recognizes this additional pathway may allow immediate replenishment of the severely depleted number of health professionals in the NHSC "pipeline". Without this replenishment, the number of professionals available for corps assignments will drop precipitously over the next few years. The Secretary of HHS is au-

thorized to determine the number of corps assignees needed and report to the Congress the mix of scholarships and loan repayments anticipated to be necessary to attract these assignees. The Committee authorizes such sums as necessary for fiscal years 1988, 1989, and 1990 to meet the needs of this program.

Because the Secretary will be repaying loans while the health professional is providing service, instead of providing a stipend and paying educational costs prior to service as is the case under the scholarship program, a new formula for calculating penalties is provided. Under this bill, health professionals who fail to serve out their obligation would be required to repay the amount of prepaid principal and interest, with interest on that amount, plus a penalty of $500 per month of unserved time.

For example, if a health professional signed a contract to serve for 24 months, only served 9 months, and the Secretary paid $18,000 in advance for the first year, the health professional would owe the prepaid principle and interest for 3 months ($4,500), plus interest on that amount, plus $500 per month multiplied by the 15 months remaining on the contract ($7,500).

An additional provision of this legislation allows States to establish loan repayment programs similar to the NHSC loan repayment program. Under this program the state is responsible for identifying the health manpower shortage area, locating an appropriate health care provider and contracting with that provider. The federal share of costs under this provision shall not exceed 75%. The Committee authorizes $1,000,000 for FY 1988, and such sums as necessary for FY 1989 and 1990, for the state loan repayment program.

This bill amends the provisions for designating health manpower shortage areas in recognition of the Committee's perception that there has been too little local participation in the decision to remove an area from the manpower shortage list. Language in this bill requires that interested persons and groups in the various areas be allowed to testify before a decision is made. Furthermore, the ability of the population to pay for care is added as a criterion in making the decision.

Language is included to specify that under the scholarship program years spent in clinical training, including internship, residency and fellowship, shall not count toward satisfying the period of obligated service.

The Committee recognizes the importance of maintaining the private practice option for corps assignees, along with the availability of loans to enable assignees to enter private practice in health manpower shortage areas for a minimum of two years. The total amount of this loan shall not exceed $25,000.

For the General Operations of the National Health Service Corps the Committee authorizes $65,000,000 for fiscal year 1988, $65,000,000 for 1989 and $65,000,000 for 1990.

V. Committee Actions

On June 3, 1987 the Committee on Labor and Human Services met to consider S. 1158. After amendments to the original bill, the Committee agreed unanimously to report S. 1158 to the Senate.

VI. Congressional Budget Office Cost Estimate

U.S. Congress,
Congressional Budget Office,
Washington, DC, June 17, 1987.

Hon. Edward M. Kennedy,
Chairman, Committee on Labor and Human Resources,
U.S. Senate, Washington DC

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached cost estimate for S. 1158, the Public Health Service Amendments of 1987, as ordered reported by the Senate Committee on Labor and Human Resources on June 3, 1987.

If you wish further details on this estimate we will be pleased to provide them.

With best wishes,
Sincerely,

Edward M. Gramlich,
Acting Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, JUNE 17, 1987

1. Bill number: S. 1158.
2. Bill title: Public Health Service Amendments of 1987.
3. Bill status: As ordered reported by the Senate Committee on Labor and Human Resources on June 3, 1987.
4. Bill purpose: To continue authorization of various health and science programs.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992
National Center for Health Services Research	27	28	29		
National Center for Health Statistics	55	57	59		
Council on Health Care Technology	1	1	1		
Immunization grants	94	98	101		
Vaccine stockpile	5	5	5		
Tuberculosis grants	22	23	24		
Sexually transmitted disease prevention	100	104	108		
NHSC loan repayment	5	10	13	13	13
NHSC Scholarship Program	2	2	2	3	3
State loan repayment	1	1	1		
National Health Service Corps	65	65	65		
Total estimated authorization level	377	394	408	16	16
Estimated outlays	226	315	374	162	89

Basis of Estimate: All authorizations are assumed to be fully appropriated at the beginning of each fiscal year. Outlays are estimated on the basis of recent program data.

The bill would authorize such sums as may be necessary for immunization grants, rather than the amounts currently stated in the bill, upon the implementation of subtitle 2 of title XXI of the Public Health Service Act, the National Vaccine Program. The program will be implemented only after a funding mechanism is established in law. Since no final Congressional action funding the Na-

tional Vaccine Program has taken place, CBO's estimate of S. 1158 uses the authorization levels stated in the bill.

No cost has been included in this estimate for the section of the bill relating to vaccines made available after the date of enactment of S. 1158. The section would authorize such sums as may be necessary in fiscal years 1988 through 1990 to allow preventive health service programs to provide immunizations with vaccines both approved for use and recommended for use after the bill is enacted. Currently the Food and Drug Administration has received applications to begin human testing of about 300 vaccines. CBO has no basis to estimate how many of these vaccines might be approved, the cost of such vaccines, or the number of immunizations with these vaccines that might be provided through preventive health service programs. It is possible that this provision could result in significant additional cost to the federal government if a new vaccine, one protecting against Acquired Immune Deficiency Syndrome (AIDS) for example, is approved during this period for widespread use. However, it is also possible that federal medical care expenditures could be reduced as a result of the approval and use of new vaccines.

This bill would also create a new loan repayment program for physicians serving in the National Health Service Corp (NHSC). The federal government would make payments on outstanding educational debt up to $20,000 for each year of obligated service for individuals serving two years or more in the NHSC. In addition, payments would be made to reimburse recipients for any increased tax liability that might occur as a result of the federal government providing payments. CBO estimates that including the tax payment, about $25,000 could be provided each year to each participant. The historical average for length of service in the NHSC is about 2.7 years, making the government payment per participant almost $66,000. If the program supports 200 new participants each year, the cost to the federal government would be about $5 million in 1988 increasing to $13 million in 1990 and beyond. Costs to the federal government for the loan repayment program would vary depending on the number of individuals actually participating and on their financial status.

The bill would authorize such sums as may be necessary for the NHSC scholarship program. This program pays tuition costs and a stipend for medical students in exchange for at least 2 years of service in the NHSC. The fiscal year 1987 appropriation provided an average annual award to scholarship recipients of $22,276. Only 4 NHSC continuation scholarships were awarded in 1987. In addition, 37 multi-year awards were made to students who previously received first year Exceptional Financial Need scholarships. If the same number of NHSC scholarships are awarded over the next five years, the cost to the federal government would be between $2 million and $3 million in each fiscal year.

The authorization level for the NHSC for fiscal years 1988 through 1990 is stated in the bill. For all remaining programs authorized in this bill, the 1988 funding level is stated in the bill and such sums as may be necessary are provided in 1989 and 1990. CBO has estimated these amounts by increasing the 1988 stated level by the rate of inflation.

6. Estimated cost to State and local government: None.
7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by Carmela Dyer (226-2820).
10. Estimate approved by C.G. Nuckols for James L. Blum, Assistant Director for Budget Analysis.

VII. Regulatory Impact Statement

The Committee has determined that there will be minimal or no increase in regulatory burden of paperwork imposed by this bill.

VIII. Section-by-Section Analysis

The bill provides that the act may be cited as the "Public Health Service Amendment of 1987."

Section 2 provides that, except as otherwise provided, references to an amendment or repeal shall be considered to be made to a section or provision of the Public Health Service (PHS) Act.

TITLE I—HEALTH SERVICES RESEARCH, HEALTH CARE TECHNOLOGY, HEALTH STATISTICS, AND PREVENTIVE HEALTH PROGRAMS

Section 101 of the bill amends section 208(i)(1) of the PHS Act—

(1) to authorize appropriations of $26.5 million for FY 1988 and such sums as may be necessary for each of FY 1989 and 1990 for health services research, evaluation, and demonstration activities under sections 304 or 305 (National Center for Health Services Research) of the Act; and

(2) to authorize appropriations of $4 million for each of FY 1988, 1989, and 1990 for health care technology assessment activities under subsections (b)(5), (e), (f), and (g) of section 305 of the Act.

Section 102(a) of the bill amends section 308(i)(2) of the Act to authorize appropriations of $55 million for FY 1988 and such sums as may be necessary for each of FY 1989 and 1990 for health statistical and epidemiological activities under sections 304 or 306 (National Center for Health Statistics) of the Act.

Section 102(b) of the bill amends 306(k) of the Act to enlarge the membership of the National Committee on Vital and Health Statistics from fifteen to sixteen and to extend terms of service from three to four years, except as provided in the following:

Effective January 1, 1990,

(1) for membership terms on the Committee (as in effect prior to January 1, 1990) which expire in 1990, the appointments to three such terms in such year shall be for a period of four years and the appointments to two such terms in that year shall be for a period of three years;

(2) for membership terms on the Committee which expire in 1992, one term shall be extended for an additional year; and

(3) for membership terms which expire in 1992, two such terms shall each be extended for an additional year.

Section 102(c) of the bill repeals section 304(d) of the PHS Act dealing with a study on health costs of pollution and other environmental conditions resulting from human activity.

Section 102(d) of the bill repeals section 306(1) of the Act dealing with the development of a plan for the collection and coordination of data on the effects of the environment on health.

Section 102(e) of the bill amends section 308(a)(1) of the Act changing the required data from December 1 to March 15 of each year for a report from the Secretary to the Congress on the administration of sections 304 through 307 and section 309 of the Act and the current state and progress of health services research, health statistics, and health care technology.

Section 103(a) of the bill amends section 308(i)(1) of the Act to require that the Secretary obligate not less than $750,000 for each of FY 1988, 1989, and 1990 for grants under section 309 for the planning, development, establishment, and operation of a council on health care technology.

Section 103(b) of the bill amends section 309(a)(2)(B) of the Act to require that an applicant for a grant for the operation of the council shall spend from non-Federal sources an amount equal to the amount of the grant applied for, rather than twice the amount of the grant, as is currently required.

Section 104(a) of the bill amends section 317(j)(1) of the Act regarding project grants for preventive health projects for immunizations. For the existing immunization program, this section authorizes appropriations of $94 million for FY 1988 and such sums as may be necessary for each of FY 1989 and 1990. This section also includes a new authority for the appropriation of such sums as may be necessary for each of FY 1988, 1989, and 1990 for preventive programs for the provision of immunizations with vaccines approved for use, and recommended for routine use, after the date of the enactment of this authority. Subject to implementation of the Vaccine Compensation program under title 21 of the PHS Act, this section also authorizes appropriations of such sums as may be necessary for FY 1988 through 1990 for immunization project grants under section 317(j)(1) to help cover increased costs of vaccines that may result from such implementation of the Vaccine Compensation program.

Section 104(b) of the bill authorizes appropriations of $5 million for FY 1988 and such sums as may be necessary for each of FY 1989 and 1990 for the Secretary, acting through the Director of the Centers for Disease Control, to acquire and maintain a supply of vaccines sufficient to provide vaccinations throughout a 6-month period.

Section 105 of the bill amends section 317(j)(2) of the Act for project grants for tuberculosis control. This section authorizes appropriations of $22 million for FY 1988 and such sums as may be necessary for each of FY 1989 and 1990 for such project grants and for a new research program relating to tuberculosis. The new program, under a new section 317A of the PHS Act, authorizes the Secretary to make grants to States, political subdivisions of States, and other public and nonprofit entities for—

> (1) research into the prevention and control of tuberculosis, especially research concerning strains of the disease resistant to drugs and research on cases of the disease that affect certain populations;

(2) demonstration projects for the prevention and control of tuberculosis;

(3) public information and education programs for prevention and control of tuberculosis; and

(4) education, training, and clinical skills improvement activities in the prevention and control of tuberculosis for health professionals, including allied health personnel.

Section 106 of the bill amends section 318 of the Act to authorize appropriations of $100 million for FY 1988 and such sums as may be necessary for each of FY 1989 and 1990 for projects and programs for the prevention and control of sexually transmitted diseases. The section requires the Secretary to obligate not less than 10 percent of the amount appropriated for a fiscal year for grants for research, demonstration projects, public information and education program for the prevention and control of such diseases, and for education, training, and clinical skills improvement activities for health professionals. The section also provides that grants under section 318 shall include grants for the prevention and control of, and grants for research and other projects, programs, and activities relating to, chlamydia.

TITLE II—NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM

Section 201 of the bill amends subpart II of part D of title III of the PHS Act to establish, under a new section 338B of the Act, a new National Health Service Corps (NHSC) Loan Repayment Program.

The new section 338B(a) directs the Secretary to establish a Loan Repayment Program in order to assure an adequate supply of trained physicians, dentists, and nurses for the Corps and, if needed by the Corps, to assure an adequate supply of podiatrists, optometrists, pharmacists, clinical psychologists, graduates of schools of veterinary medicine, graduates of schools of public health, graduates of programs in health administration, graduates of programs for the training of physician assistants, expanded function dental auxiliaries, and nurse practitioners, and other health professionals.

The new section 338B(b) provides that an individual, in order to be eligible to participate in the Loan Repayment Program, must—

(1)(A) be enrolled as a full-time student, in an accredited education institution in a State, and in the final year of a course of study or program leading to a degree in medicine, osteopathy, dentistry, or other health profession; or

(B) have a degree, completed a graduate training program, and a license to practice in a State in medicine, osteopathy, dentistry, or other health profession;

(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Public Health Service or be eligible for selection for civilian service in the Corps;

(3) submit an application to participate in the Loan Repayment program; and

(4) sign and submit to the Secretary a written contract to accept repayment of educational loans and to serve for the applicable period of obligated service in a health manpower shortage area. The Secretary may waive for good cause the requirement that an applicant have completed a graduate training program.

Subsection (c) of the new section 338B requires the Secretary to include in application and contract forms disseminated to individuals desiring to participate in the Loan Repayment Program—

(1) a fair summary of the rights and liabilities of an individual whose application is approve (and whose contract is accepted) by the Secretary, including a clear explanation of the damages to which the U.S. is entitled in the case of the individual's breach of the contract; and

(2) information respecting meeting a service obligation through private practice under an agreement under section 338D and such other information as may be necessary for the individual to understand prospective participation in the Loan Repayment Program and service in the Corps. The application and contract forms and other information furnished by the Secretary shall be written in a manner calculated to be understood by the average individual applying to participate in the Loan Repayment Program. The Secretary is directed to make such forms and other information available sufficiently early to ensure individuals desiring to participate adequate time to carefully review and evalutate them.

Subsection (d) of the new section 338B requires the Secretary, in determining which applications under the Loan Repayment Program to approve (and which contracts to accept), to give priority to applications made by individuals whose training is in a health profession or specialty determined to be needed by the Corps, and by individuals who are committed to service in medically underserved areas. Also, the Secretary is required, in reviewing applications of two or more individuals with equivalent qualifications for participation in the Program to give preference to the individual with the lowest amount of total outstanding loan obligations for principal, interest, and related expenses for which repayments may be made.

Subsection (e) of the new section 338B provides that an individual becomes a participant in the Loan Repayment Program only upon the Secretary's approval of the application submitted under subsection (b)(3) and the Secretary's acceptance of the contract submitted under subsection (b)(4). It also requires the Secretary to provide prompt written notice to the individual on the Secretary's approving or disapproving an individual's participation in the Program.

Subsection (f) of the new section 338B requires the written contract between the Secretary and an individual to contain—

(1)(A) an agreement that the Secretary agrees to pay on behalf of the individual loans in accordance with subsection (g); and to accept (subject to the availability of appropriated funds) the individual into the Corps (or for equivalent service); and

(B)(i) the individual agrees to accept loan payments on the individual's behalf;

(ii) in the case of an individual described in (b)(1)(A) above, to maintain enrollment in a course of study or training described in such subsection until completion;

(iii) while enrolled in such course of study or training, to maintain an acceptable level of academic standing; and

(iv) to serve for a period of obligated service equal to 2 years or such longer period as the individual may agree to, in a health manpower shortage area to which such individual is assigned as a member of the Corps;

(2) a provision permitting the individual to extend for a 1-year period or longer, as the individual may agree to, the period of obligated service;

(3) a provision that any financial obligation of the U.S. arising out of a contract entered into under this subpart and any obligation of the individual conditioned thereupon, is contingent upon funds being appropriated for loan repayments and to carry out purposes of sections 331 through 335 and sections 337 and 338 of the Act;

(4) a statement of the damages to which the U.S. is entitled, under section 338E, for the individual's breach of the contract; and

(5) such other statements of the rights and liabilities of the Secretary and of the individual, not inconsistent with the provisions of this subpart.

Subsection (g) of the new section 338B provides that a loan repayment provided for an individual under a written contract under the Loan Repayment Program shall consist of payment on behalf of the individual of the principal, interest, and related expenses on government and commercial loans received by the individual for tuition expenses, all other reasonable expenses incurred by the individual, or reasonable living expenses as determined by the Secretary. For each year of obligated service that an individual contracts to serve, the Secretary may pay up to $20,000 for loans on behalf of the individual, except that in any case in which such payments result in an increase in Federal, State, or local income tax liability for the individual, the Secretary may, on the individual's request, make payments to the individual in a reasonable amount to reimburse such increased tax liability. The total of payments made on behalf of an individual for loans and for increased tax liability may exceed $20,000 for each year of obligated service the individual contracts to serve. The Secretary may enter into an agreement with the holder of any loan for which payments are made under this Program to establish a schedule for making payments if the establishment of such a schedule would result in reducing the costs to the U.S. under the Loan Repayment Program.

Subsection (h) of the new section 338B provides that notwithstanding any other provision of law, individuals who have entered into written contracts under this section, while undergoing academic training, shall not be counted against any employment ceiling affecting the Department.

Subsection (i) of the new section 338B directs the Secretary to submit to the Congress, not later than March 1 of each year, a report specifying—

(1) the number, and type of health profession training, of individuals receiving loan payments under the Program;

(2) the educational institution at which such individuals are receiving their training;

(3) the number of applications filed under this section in the school year beginning in such year and in prior school years; and

(4) the amount of loan payments made in the year reported on.

Section 202 of the bill makes certain technical and conforming amendments to title III of the PHS to include references to the new section 338B and the Loan Repayment Program and amend references to other sections renumbered with the inclusion of the new section. Subsection (a) of section 202 amends section 303(d)(4). Subsection (b) amends section 331. Subsection (c) amends section 334(a)(3)(B). Subsection (d) amends section 336(a). Subsection (e) amends section 338E as redesignated from section 338D (Breach of Scholarship Contract) to add to new subsection (a)(2) which provides that an individual who has entered into a written contract under section 338B and who—

(A) in the case of an individual enrolled in the final year of a course of study, fails to maintain an acceptable level of academic standing or voluntarily terminates such enrollment or is dismissed from such educational institution before completion of such course of study; or

(B) in the case of an individual enrolled in a graduate training program, fails to complete such training program,

in lieu of any service obligation arising under such contract shall be liable to the U.S. for the amount which has been paid on his behalf under the contract.

The new section 338E, as redesignated by the bill, is also amended by the addition of a new subsection (c) which provides that if an individual breaches the written contract under section 338B by failing either to begin or complete the service obligation, the U.S. shall be entitled to recover from the individual an amount equal to the sum of—

(A) the total of the amounts paid by the U.S. on the individual's behalf;

(B) the interest on the amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum prevailing rate, as determined by the U.S. Treasurer; or

(C) an amount equal to the product of the service percentage multiplied by the amount pay by the U.S. on the individual's behalf.

The term "service percentage" means the percentage equal to the difference between 25 percent minus the percentage obtained by dividing the number of months of obligated service completed by an individual by the total number of months of such individual's obligated service, except that in no case may a service percentage be less than zero. The Secretary may reduce the amount which the U.S. would otherwise be entitled to recover from an individual under this provision if the Secretary determines that such individual has performed a sufficient amount of obligated service to war-

rent such a reduction. Also, the Secretary may waive, in whole or in part, the rights of the U.S. to recover amounts under this provision in any case of extreme hardship. Damages which th U.S. is entitled to recover shall be paid in accordance with the last sentence of subsection (b)(1), which requires that such damages shall be paid within the one year period beginning on the date of the written contract (or such longer period as specified by the Secretary for good cause shown).

Subsection (f) of section 202 of the bill amends part D of title III of the Act by inserting after section 338 a new subpart title—Subpart III—Scholarship Program and Loan Repayment Program.

Section 203 of the bill amends part D of title III of the Act by striking out section 338G as redesignated from section 338F (Authorization of Appropriations) and inserting a new section 338G (Report and Authorization of Appropriations). Subsection (a) of the new section 338G directs the Secretary to report on January 20 of each year to the Senate Committee on Labor and Human Resources, the House Committee on Energy and Commerce, and the Committee on Appropriations of both houses on the number of providers of health care needed for the Corps during the three fiscal years beginning after the date the report is filed and, for the next three years, the number of scholarships the Secretary proposed to provide under the Scholarship Program, the number of individuals for whom the Secretary proposed to make loan repayments, and the number of individuals with no obligation under the program and who the Secretary proposed to have as members of the Corps.

Subsection (b) of the new section 338G authorizes appropriations of such sums as may be necessary for scholarships and loan repayments under this subpart.

Section 203 also authorizes a new section 338H of the Act authorizing the Secretary to make grants to States to support the establishment by States of State programs similar to the Loan Repayment Program. Any State program supported with such a grant would—

(1) provide for the repayment of government and commercial loans for the tuition, education expenses, and living expenses described in section 338B(g)(1);

(2) establish minimum standards for the designation of areas in which individuals on whose behalf loan repayment is made under the State program will perform obligated service, or provide that such individuals will perform obligated service in health manpower shortage areas designated by the Secretary in the State under section 332; and

(3) establish minimum standards for the determination of obligated service under the State Program.

No grant may be made under this under this section unless an application is submitted to the Secretary, in such form, at such time, and containing such information as the Secretary may, by regulation, prescribe. The Federal share of the costs of any State program shall not exceed 75 percent. The new section 338H authorizes appropriations of $1 million for FY 1988 and such sums as may be necessary for each of the FY 1989 and 1990 to carry out State Programs.

TITLE III—FURTHER REVISIONS AND EXTENSIONS OF THE PROGRAM FOR THE NATIONAL HEALTH SERVICE CORPS

Section 301 of the bill amends section 332(a)(1) of the Act, relating to the designation of health manpower shortage areas, by adding a provision that the Secretary shall not remove an area from the areas determined to be health manpower shortage areas until the Secretary has afforded interested persons and groups in such area an opportunity to provide data and information in support of the designation as a health manpower shortage area of a population group or a facility described in section 332, and has made a determination on the basis of such data and information submitted and on other data and information available to the Secretary.

Section 301 of the bill also amends subsection (b)(2) of section 332 of the Act to add "ability to pay for health services" to "infant mortality", "access to health services", and "health status" as indicators to be considered as part of the criteria in designating health manpower shortage areas.

Section 302 of the bill amends section 338C(b)(5) of the Act as redesignated by the bill (Obligated Service). Subsection (b) as amended by the bill provides that—

(A) in the case of the Scholarship Program, with respect to an individual receiving a degree from a school of medicine, osteopathy, veterinary medicine, optometry, podiatry, or pharmacy, the date referred in subsections (1) through (4) regarding determination of and designation for obligated service, shall be the date upon which the individual completes the training for such degree, except that—

(i) at the request of an individual with a contract entered into under section 338A prior to October 1, 1985, the Secretary shall defer such date until the end of the period of time (not to exceed the number of years specified in subparagraph (B) below or such greater period as the Secretary, consistent with the needs of of the Corps, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training; and

(ii) at the request of an individual with a contract entered into under section 338A on or after October 1, 1985, the Secretary may defer such date in accordance with the provisions of clause (i) above.

(B) With respect to an individual receiving a degree from a school of medicine, osteopathy, or dentistry, the number of years referred in (A)(i) above shall be three years. With respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the number of years referred in (A)(i) above shall be one year.

(C) No period of internship, residency, or other advanced clinical training shall be counted toward satisfying a period of obligated service under this subpart.

(D) In the case of the Scholarship Program, with respect to an individual receiving a degree from an institution other than a school referred in subparagraph (A), the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes his academic training leading to such degree.

(E) In the case of the Loan Repayment Program, if an individual is required to provide obligated service under such Program, the date referred to in paragraphs (1) through (4)—

(i) shall be the date determined under subsection (5)(A) or (B) in the case of an individual who is enrolled in the final year of a course of study;

(ii) shall, in the case of an individual who enrolled in a graduate training program in medicine, osteopathy, dentistry, or other health profession, be the date the individual completes such training program; and

(iii) shall, in the case of an individual who has a degree in medicine, osteopathy, dentistry, or other health profession and who had completed graduate training, be the date the individual enters into an agreement with the Secretary under section 338B.

Section 303 of the bill amends section 338D(a)(1) of the Act as redesignated by the bill (Private Practice) to include individuals performing obligated service under the Loan Repayment Program as eligible, along with those performing such service under the Scholarship Program, to be released from such obligation in order to enter into a written agreement to engage for a period equal to the remaining period of the service obligation in the full-time private practice (including service as a salaried employee in an entity directly providing health services) of the individual's health profession.

Section 303 of the bill also amends 338D(a)(2) of the Act as redesignated by the bill to provide that an individual in the private practice option other than the one who is performing a service obligation would engage in the private practice option in a health manpower shortage area selected by the Secretary.

Section 303 of the bill also amends subsection (b) of section 338D as redesignated by the bill regarding the written agreement to engage in private practice to require the Secretary to take such action as may be appropriate to assure that the conditions of such written agreement are adhered to.

Section 304 of the bill amends section 338F of the Act as amended by the bill (Special Loans for Corps Member to Enter Private Practice) to authorize the Secretary to make one loan to a Corps member who has agreed in writing—

(1) to engage in the private full-time clinical practice of his profession in a health manpower shortage area for a period of not less than two years which—

(A) in the case of a Corps member who is required to complete a period of obligated service, begins not later than one year after the date on which such individual completes such period of obligated service; and

(B) in the case of an individual who is not required to complete a period of obligated service, begins at such a time as the Secretary considers appropriate;

(2) to conduct such practice in the same health manpower shortage in which the individual served during the individual's obligated service; and

(3) to such additional conditions as the Secretary may require.

A loan would be used to assist the individual in meeting the costs of beginning professional practice, including costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. Such loan may not be used for the purchase or construction of any building.

The amount of the loan authorized under Section 338F of the Act as amended by the bill shall not exceed $25,000.

Section 305 of the bill amends section 338(a) of the Act to authorize appropriations of $65 million each year for FY 1988, 1989, and 1990 for general operations of the National Health Service Corps.

Section 306 of the bill provides that, except for provisions in section 102(b)(2) regarding membership in the National Committee on Vital and Health Statistics, the bill and the amendments made by the bill shall take effect October 1, 1987.

XI. Changes in Existing Law

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Public Health Service Act

* * * * * * *

TITLE III—GENERAL POWERS AND DUTIES OF PUBLIC HEALTH SERVICE

Part A—Research and Investigation

* * * * * * *

MENTAL HEALTH

Sec. 303. (a) In carrying out the purposes of section 301 with respect to mental health, the Surgeon General is authorized—

(1) to provide clinical training and instruction and to establish and maintain clinical traineeships (with such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary);

(2) to make grants to State and local agencies, laboratories, and other public or nonprofit agencies and institutions, and to individuals for investigations, experiments, demonstrations, studies, and research projects with respect to the development of improved methods of diagnosing mental illness, and of care, treatment, and rehabilitation of the mentally ill, including grants to State agencies responsible for administration of State institutions for care, or care and treatment, of mentally ill persons for developing and establishing improved methods of operations and administration of such institutions.

The Secretary may authorize persons engaged in research on mental health, including research on the use and effect of alcohol and other psychoactive drugs, to protect the privacy of individuals who are the subject of such research by withholding from all persons not connected with the conduct of such research the names or other identifying characteristics of such individuals. Persons so authorized to protect the privacy of such individuals may not be compelled in any Federal, State, or local civil, criminal, administrative, legislative, or other proceedings to identify such individuals.

(b) Nothing in the Single Convention on Narcotic Drugs, the Convention on Psychotropic Substances, or other identifying characteristics of research subjects as construed to limit, modify, or prevent the protection of the confidentiality of patient records or of the names and other identifying characteristics of research subjects as provided by any Federal, State, or local law or regulation.

(c) The Secretary may provide for training instruction, and traineeships under subsection (a)(1) through grants to public and other nonprofit institutions. Grants under paragraph (2) of subsection (a) may be made only upon recommendation of the National Advisory Mental Health Council. Such grants may be paid in advance or by way of reimbursement, as may be determined by the Surgeon General; and shall be made on such conditions as the Surgeon General finds necessary.

(d)(1) Any individual who has received a clinical traineeship, in psychology, psychiatry, nursing, or social work, under subsection (a)(1) that was not of a limited duration or experimental nature (as determined by the Secretary) is obligated to serve, in service determined by the Secretary to be appropriate in the light of the individual's training and experience, at the rate of one year for each year (or academic year, whichever the Secretary determines to be appropriate) of the traineeship.

(2) The service required under paragraph (1) shall be performed—

(A) for a public inpatient mental institution providing inpatient care or any entity receiving a grant under the Mental Health Systems Act,

(B) in a heaith manpower shortage area (as determined under subpart II of part D of this title), or

(C) in any other area or for any other entity designated by the Secretary,

and shall begin within such period after the termination of the traineeship as the Secretary may determine. In developing criteria for determining for which institutions or entities or in which areas, referred to in the preceding sentence, individuals must perform service under paragraph (1), the Secretary shall give preference to institutions, entities, or areas which in his judgment have the greatest need for personnel to perform that service. The Secretary may permit service for or in other institutions, entities, or areas if the Secretary determines that the request for such service is supported by good cause.

(3) Any individual who fails to perform the service required under this subsection within the period prescribed by the Secretary is obligated to repay to the United States an amount equal to three times the cost of the traineeship (including stipends and allow-

ances) plus interest at the maximum legal rate at the time of payment of the traineeship, multiplied, in any case in which the service so required has been performed in part, by the percentage which the length of the service not so performed is of the length of the service so required to be performed.

(4)(A) In the case of any individual any part of whose obligation to perform service under this subsection exists at the same time as any part of the individual's obligation to perform service under section [752 or 753] *338C or 338D* (because of receipt of a scholarship under [subpart IV of part C of title VII)] *subpart II of part D)* or the individual's obligation to perform service under section 472 (because of receipt of a National Research Service Award), or both, the same service may not be used to any extent to meet more than one of those obligations.

(B) In any case to which subparagraph (A) is applicable and in which one of the obligations is to perform service under section [752 or 753] *338C or 338D* the obligation to perform service under that section must be met (by performance of the required service or payment of damages) before the obligation to perform service under this subsection or under section 472.

(C) In any case to which subparagraph (A) is applicable, if any part of the obligation to perform service under section 472 exists at the same time as any part of the obligation to perform service under this subsection, the manner and time of meeting each obligation shall be prescribed by the Secretary.

(5) In disseminating application forms to individuals desiring traineeships, the Secretary shall include with such forms a fair summary of the liabilities under this subsection of an individual who receives a traineeship.

GENERAL AUTHORITY RESPECTING RESEARCH, EVALUATIONS, AND DEMONSTRATIONS IN HEALTH STATISTICS, HEALTH SERVICES, AND HEALTH CARE TECHNOLOGY ASSESSMENT

SEC. 304. (a)(1) The Secretary, acting through the National Center for Health Services Research and Health Care Technology Assessment and the National Center for Health Statistics, shall conduct and support research, demonstrations, evaluations, and statistical and epidemiological activities for the purpose of improving the effectiveness, efficiency, and quality of health services in the United States.

(2) In carrying out paragraph (1), the Secretary shall give appropriate emphasis to research, demonstrations, evaluations, and statistical and epidemiological activities respecting—

(A) the accessibility, acceptability, planning, organization, distribution, utilization, and financing of systems for the delivery of health care,

(B) alternative methods for measuring and evaluating the quality of systems for the delivery of health care,

(C) the collection, analysis, and dissemination of health related statistics,

(D) alternative methods to improve and promote health statistical and epidemiological activities,

(E) the safety, efficacy, effectiveness, cost effectiveness, and social, economic, and ethical impacts of health care technologies,

(F) alternative methods for disseminating knowledge concerning health and health related activities,

(G) the special health problems of low income and minority groups and the elderly to insure that these problems are assessed on a periodic regular basis,

(H) the prevention of illness, disability, and premature deaths in the United States,

(I) health care costs, increases in such costs, and the reasons for such increases, and

(J) the impact of the environment on individual health and on health care.

(3) The Secretary may, through the National Center for Health Services Research and Health Care Technology Assessment or the National Center for Health Statistics or using National Research Service Awards or other appropriate authorities, undertake and support training programs to provide for an expanded and continuing supply of individuals qualified to perform the research, evaluation, and demonstration projects set forth in sections 305, 306, and 309.

(b) To implement subsection (a), the Secretary may, in addition to any other authority which under other provisions of this Act or any other law may be used by him to implement such subsection, do the following:

(1) Utilize personnel and equipment, facilities, and other physical resources of the Department of Health and Human Services, permit appropriate (as determined by the Secretary) entities and individuals to utilize the physical resources of such Department, provide technical assistance and advice, make grants to public and nonprofit private entities and individuals, and, when appropriate, enter into contracts with public and private entities and individuals.

(2) Admit and treat at hospitals and other facilities of the Service persons not otherwise eligible for admission and treatment at such facilities.

(3) Secure, from time to time and for such periods as the Secretary deems advisable but in accordance with section 3109 of title 5, United States Code, the assistance and advice of consultants from the United States or abroad. The Secretary may for the purpose of carrying out the functions set forth in sections 305, 306, and 309, obtain (in accordance with section 3109 of title 5 of the United States Code, but without regard to the limitation in such section on the number of days or the period of service) for each of the centers the services of not more than fifteen experts who have appropriate scientific or professional qualifications.

(4) Acquire, construct, improve, repair, operate, and maintain laboratory, research, and other necessary facilities and equipment, and such other real or personal property (including patents) as the Secretary deems necessary; and acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise, through the Administrator of General Services,

buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia.

(c)(1) The Secretary shall coordinate all health services research, evaluations, and demonstrations, all health statistical and epidemiological activities, and all research, evaluations, and demonstrations respecting the assessment of health care technology undertaken and supported through units of the Department of Health and Human Services. To the maximum extent feasible such coordination shall be carried out through the National Center for Health Services Research and Health Care Technology Assessment and the National Center for Health Statistics.

(2) The Secretary shall coordinate the health services resarch, evaluations, and demonstrations, the health statistical and (where appropriate) epidemiological activities, and the research, evaluations, and demonstrations repecting the assessment of health care technology authorized by this Act through the National Center for Health Services Research and Health Care Technology Assessment and the National Center for Health Statistics.

(d) [Repealed.]

* * * * * * *

NATIONAL CENTER FOR HEALTH STATISTICS

SEC. 306. (a) There is established in the Department of Health and Human Services the National Center for Health Statistics (hereinafter in this section referred to as the "Center") which shall be under the direction of a Director who shall be appoined by the Secretary and supervised by the Assistant Secretary for Health (or such other officer of the Department as may be designated by the Secretary as the principal adviser to him for health programs).

(b) In carrying out section 204(a), the Secretary, acting through the Center—

(1) shall collect statistics on—

(A) the extent and nature of illness and disability of the population of the United States (or of any groupings of the people included in the population), including life expectancy, the incidence of various acute and chronic illnesses, and infant and maternal morbidity and mortality,

(B) the impact of illness and disability of the population on the economy of the United States and on other aspects of the well-being of its population (or of such groupings),

(C) environmental, social, and other health hazards,

(D) determinants of health,

(E) health resources, including physicians, dentists, nurse, and other health professionals by specialty and type of practice and the supply of services by hospitals, extended care facilities, home health agencies, and other health institutions,

(F) utilization of health care, including utilization of (i) ambulatory health services by specialties and types of practice of the health professionals providing such services, and (ii) services of hospitals, extended care facilities, home health agencies, and other institutions,

(G) health care costs and financing, including the trends in health care prices and cost, the sources of payments for health care services, and Federal, State, and local governmental expenditures for health care services, and

(H) family formation, growth, and dissolution;

(2) shall undertake and support (by grant or contract) research, demonstrations, and evaluations respecting new or improved methods for obtaining current data on the matters referred to in paragraph (1);

(3) may undertake and support (by grant or contract) epidemiological research, demonstrations, and evaluations on the matters referred to in paragraph (1); and

(4) may collect, furnish, tabulate, and analyze statistics, and prepare studies, on matters referred to in paragraph (1) upon request of public and nonprofit private entities under arrangements under which the entities will pay the cost of the service provided.

Amounts appropriated to the Secretary for payments made under arrangements made under paragraph (4) shall be available to the Secretary for obligation until expended.

(c) The Center shall furnish such special statistical and epidemiological compilations and surveys as the Committee on Human Resources and the Committee on Appropriations of the Senate and the Committee on Energy and Commerce and the Committee on Appropriations of the House of Representatives may request. Such statistical and epidemiological compilations and surveys shall not be made subject to the payment of the actual or estimated cost of the preparation of such compilations and surveys.

(d) To insure comparability and reliability of health statistics, the Secretary shall, through the Center, provide adequate technical assistance to assist State and local jurisdictions in the development of model laws dealing with issues of confidentiality and comparability of data.

(e) For the purpose of producing comparable and uniform health information and statistics, there is established the Cooperative Health Statistics System. The Secretary, acting through the Center, shall—

(1) coordinate the activities of Federal agencies involved in the design and implementation of the System;

(2) undertake and support (by grant or contract) research, development, demonstrations, and evaluations respecting the System;

(3) make grants to and enter into contracts with State and local health agencies to assist them in meeting the costs of data collection and other activities carried out under the System; and

(4) review the statistical activities of the Department of Health and Human Services to assure that they are consistent with the System.

States participating in the System shall designate a State agency to administer or be responsible for the administration of the statistical activities within the State under the System. The Secretary, acting through the Center, shall prescribe guidelines to assure that statistical activities within States participating in the system

produce uniform and timely data and assure appropriate access to such data.

(f) To assist in carrying out this section, the Secretary, acting through the Center, shall cooperate and consult with the Departments of Commerce and Labor and any other interested Federal departments or agencies and with State and local health departments and agencies. For such purpose he shall utilize insofar as possible the services or facilities of any agency of the Federal Government and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), of any appropriate State or other public agency, and may, without regard to such section, utilize the services or facilities of any private agency, organization, group, or individual, in accordance with written agreements between the head of such agency, organization, or group and the Secretary or between such individual and the Secretary. Payment, if any, for such services or facilities shall be made in such amounts as may be provided in such agreement.

(g) To secure uniformity in the registration and collection of mortality, morbidity, and other health data, the Secretary shall prepare and distribute suitable and necessary forms for the collection and compilation of such data which shall be published as a part of the health reports published by the Secretary.

(h) There shall be an annual collection of data from the records of births, deaths, marriages, and divorces in registration areas. The data shall be obtained only from and restricted to such records of the States and municipalities which the Secretary, in his discretion, detemrines possess records affording satisfactory data in necessary detail and form. Each State or registration area shall be paid by the Secretary the Federal share of its reasonable costs (as determined by the Secretary) for collecting and transcribing (at the request of the Secretary and by whatever method authorized by him) its records for such data.

(i) The Center may provide to public and nonprofit private entities engaged in health planning activities technical assistance in the effective use in such activities of statistics collected or compiled by the Center.

(j) In carrying out the requirements of section 304(c) and paragraph (1) of subsection (e) of this section, the Secretary shall coordinate health statistical and epidemiological activities of the Department of Health and Human Services by—

(1) establishing standardized means for the collection of health information and statistics under laws administered by the Secretary;

(2) developing, in consultation with the National Committee on Vital and Health Statistics, and maintaining the minimum sets of data needed on a continuing basis to fulfill the collection requirements of subsection (b)(1);

(3) after consultation with the National Committee on Vital and Health Statistics, establishing standards to assure the quality of health statistical and epidemiological data collection, processing, and analysis;

(4) in the case of proposed health data collections of the Department which are required to be reviewed by the Director of the Office of Management and Budget under section 3509 of

title 44, United States Code, reviewing such proposed collections to determine whether they conform with the minimum sets of data and the standards promulgated pursuant to paragraphs (2) and (3), and if any such proposed collection is found not to be in confirmance, by taking such action as may be necessary to assure that it will conform to such sets of data and standards, and

(5) periodically reviewing ongoing health data collections of the Department, subject to review under such section 3509, to determine if the collections are being conducted in accordance with the minimum sets of data and the standards promulgated pursuant to paragraphs (2) and (3) and, if any such collection is found not to be in conformance, by taking such action as may be necessary to assure that the collection will conform to such sets of data and standards not later than the nineteenth day after the date of the completion of the review of the collection.

(k)(1) There is established in the Office of the Secretary a committee to be known as the National Committee on Vital and Health Statistics (hereinafter in this subsection, referred to as the "Committee") which shall consist of [fifteen] *sixteen* members.

(2)(A) The members of the Committee shall be appointed by the Secretary from among persons who have distinguished themselves in the fields of health statistics, health planning, epidemiology, and the provision of health services. Except as provided in subparagraph (B), members of the Committee shall be appointed for terms of [three] *four* years.

[(B) Of the members first appointed—

[(i) five shall be appointed for terms of one year,

[(ii) five shall be appointed for terms of two years, and

[(iii) five shall be appointed for terms of three years,

as designated by the Secretary at the time of appointment. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.]

(B)(i) In the case of membership terms on the Committee under this subsection (as in effect prior to January 1, 1988) which expire in calendar year 1988, the appointments to three such terms in such calendar year shall be for a period of four years and the appointments to two such terms in such calendar year shall be for a period of three years, as designated by the Secretary.

(ii) In the case of membership terms on the Committee under this subsection (as in effect prior to January 1, 1988) which expire in calendar year 1989, one such term shall be extended for an additional consecutive one-year period, as designated by the Secretary.

(iii) In the case of membership terms on the Committee under this subsection (as in effect prior to January 1, 1988) which expire in calendar year 1990, two of such terms shall each be extended for an additional consecutive one-year period, as designated by the Secretary.

(3) Members of the Committee shall be compensated in accordance with section 208(c).

(4) It shall be the function of the Committee to assist and advise the Secretary—

(A) to delineate statistical problems bearing on health and health services which are of national or international interest;

(B) to stimulate studies of such problems by other organizations and agencies whenever possible or to make investigations of such problems through subcommittees;

(C) to determine, approve, and revise the terms, definitions, classifications, and guidelines for assessing health status and health services, their distribution and costs, for use (i) within the Department of Health and Human Services, (ii) by all programs administered or funded by the Secretary, including the Federal-State-local cooperative health statistics system referred to in subsection (e), and (iii) to the extent possible as determined by the head of the agency involved, by the Veterans' Administration, the Department of Defense, and other Federal agencies concerned with health and health services;

(D) with respect to the design of and approval of health statistical and health information systems concerned with the collection, processing, and tabulation of health statistics within the Department of Health and Human Services, with respect to the Cooperative Health Statistics System established under subsection (e), and with respect to the standardized means for the collection of health information and statistics to be established by the Secretary under subsection (j)(1);

(E) to review and comment on findings and proposals developed by other organizations and agencies and to make recommendations for their adoption or implementation by local, State, national, or international agencies;

(F) to cooperate with national committees of other countries and with the World Health Organization and other national agencies in the studies of problems of mutual interest; and

(G) to issue an annual report on the state of the Nation's health, its health services, their costs and distributions, and to make proposals for improvement of the Nation's health statistics and health information systems.

(5) In carrying out health statistical activities under this part, the Secretary shall consult with, and seek the advice of, the Committee and other appropriate professional advisory groups.

(l) [Repealed.]

INTERNATIONAL COOPERATION

SEC. 307. (a) For the purpose of advancing the status of the health sciences in the United States (and thereby the health of the American people), the Secretary may participate with other countries in cooperative endeavors in biomedical research, health care technology, and the health services research and statistical activities authorized by sections 304, 305, 306, and 309.

(b) In connection with the cooperative endeavors authorized by subsection (a), the Secretary may—

(1) make such use of resources offered by participating foreign countries as he may find necessary and appropriate;

(2) establish and maintain fellowships in the United States and in participating foreign countries;

(3) make grants to public institutions or agencies and to nonprofit private institutions or agencies in the United States and in participating foreign countries for the purpose of establishing and maintaining the fellowships authorized by paragraph (2);

(4) make grants or loans of equipment and materials, for use by public or nonprofit private institutions or agencies, or by individuals, in participating foreign countries;

(5) participate and otherwise cooperate in any international meetings, conferences, or other activities concerned with biomedical research, health services research, health statistics, or health care technology;

(6) facilitate the interchange between the United States and participating foreign countries, and among participating foreign countries, of research scientists and experts who are engaged in experiments or programs of biomedical research, health services research, health statistical activities, or health care technology activities, and in carrying out such purpose may pay per diem compensation, subsistence, and travel for such scientists and experts when away from their places of residence at rates not to exceed those provided in section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently; and

(7) procure, in accordance with section 3109 of title 5, United States Code, the temporary or intermittent services of experts or consultants.

The Secretary may not, in the exercise of his authority under this section, provide financial assistance for the construction of any facility in any foreign country.

GENERAL PROVISIONS RESPECTING SECTIONS 304, 305, 306, 307, AND 309

SEC. 308. (a)[(1) Not later than December 1 of each year, the Secretary shall make a report to Congress respecting (A) the administration of sections 304 through 307 and section 309 during the preceding fiscal year, and (B) the current state and progress of health services research, health statistics, and health care technology.]

[(2)] *(1)* The Secretary, acting through [the National Center for Health Services Research and] the National Center for Health Statistics, shall assemble and submit to the President and the Congress not later than [December 1] *March 15* of each year the following reports:

(A) A report on health care costs and financing. Such report shall include a description and analysis of the statistics collected under section 306(b)(1)(G).

(B) A report on health resources. Such report shall include a description and analysis, by geographical area, of the statistics collected under section 306(b)(1)(E).

(C) A report on the utilization of health resources. Such report shall include a description and analysis, by age, sex, income, and geographic area, of the statistics collected under section 306(b)(1)(F).

(D) A report on the health of the Nation's people. Such report shall include a description and analysis, by age, sex, income, and geographic area, of the statistics collected under section 306(b)(1)(A).

[(3)] *(2)* The Office of Management and Budget may review any report required by paragraph (1) [or (2) of this subsection] before its submission to Congress, but the Office may not revise any such report or delay its submission beyond the date prescribed for its submission, and may submit to Congress its comments respecting any such report.

(b)(1) No grant or contract may be made under sections 304, 305, 306, 307, and 309 unless an application therefor has been submitted to the Secretary in such form and manner, containing such information, as the Secretary may by regulation prescribe.

(2) Each application submitted for a grant or contract under section 304 or 305, in an amount exceeding $50,000 of direct costs and for a health services research, evaluation, or demonstration project, shall be submitted by the Secretary for review for scientific merit to a panel of experts appointed by him from persons who are not officers or employees of the United States and who possess qualifications relevant to the project for which the application was made. A panel to which an application is submitted under this paragraph shall report its findings and recommendations respecting the application to the Secretary in such form and manner as the Secretary shall by regulation prescribe.

(3) If an application is submitted under section 304, 305, or 306 for a grant or contract for a project for which a grant or contract may be made or entered into under another provision of this Act, such application may not be approved under section 304, 305, or 306 and funds appropriated under this section may not be obligated for such grant or contract. The applicant who submitted such application shall be notified of the other provision (or provisions) of this Act under which such application may be submitted.

(c) The aggregate number of grants and contracts made or entered into under sections 304 and 305 for any fiscal year respecting a particular means of delivery of health services or another particular aspect of health services may not exceed twenty; and the aggregate amount of funds obligated under grants and contracts under such sections for any fiscal year respecting a particular means of delivery of health services or another particular aspect of health services may not exceed $5,000,000.

(d) No information, if an establishment or person supplying the information or described in it is identifiable, obtained in the course of activities undertaken or supported under section 304, 305, 306, 307, or 309 may be used for any purpose other than the purpose for which it was supplied unless such establishment or person has consented (as determined under regulations of the Secretary) to its use for such other purpose and (1) in the case of information obtained in the course of health statistical or epidemiological activities under section 304 or 306, such information may not be published or released in other form if the particular establishment or person supplying the information or described in it is identifiable unless such establishment or person has consented (as determined under regulations of the Secretary) to its publication or release in other

form, and (2) in the case of information obtained in the course of health services research, evaluations, or demonstrations under section 304 or 305 or in the course of health care technology activities under section 309, such information may not be published or released in other form if the person who supplied the information or who is described in it is identifiable unless such person has consented (as determined under regulations of the Secretary) to its publication or release in other form.

(e)(1) Payments of any grant or under any contract under section 304, 305, 306, 307, or 309 may be made in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary deems necessary to carry out purposes of such section.

(2) The amounts otherwise payable to any person under a grant or contract made under section 304, 305, 306, 307, or 309 shall be reduced by—

(A) amounts equal to the fair market value of any equipment or supplies furnished to such person by the Secretary for the purpose of carrying out the project with respect to which such grant or contract is made, and

(B) amounts equal to the pay, allowances, traveling expenses, and related personnel expenses attributable to the performance of services by an officer or employee of the Government in connection with such project, if such officer or employee was assigned or detailed by the Secretary to perform such services,

but only if such person requested the Secretary to furnish such equipment or supplies, or such services, as the case may be.

(f) Contracts may be entered into under section 304, 205, 206, or 309 without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

(g)(1) The Secretary shall—

(A) publish, make available and disseminate, promptly in understandable form and on as broad a basis as practicable, the results of health services research, demonstrations, and evaluations undertaken and supported under sections 304 and 305;

(B) make available to the public data developed in such research, demonstrations, and evaluations; and

(C) provide indexing, abstracting, translating, publishing, and other services leading to a more effective and timely dissemination of information on health services research, demonstrations, and evaluations in health care delivery to public and private entities and individuals engaged in the improvement of health care delivery and the general public; and undertake programs to develop new or improved methods for making such information available.

Except as provided in subsection (d), the Secretary may not restrict the publication and dissemination of data from, and results of projects undertaken by, centers supported under section 305(d).

(2) The Secretary shall (A) take such action as may be necessary to assure that statistics developed under sections 304, 305, 306, and 309 are of high quality, timely, comprehensive as well as specific, standardized, and adequately analyzed and indexed, and (B) publish, make available, and disseminate such statistics on as wide a basis as is practicable.

(h)(1) Except where the Secretary determines that unusual circumstances make a larger percentage necessary in order to effectuate the purposes of section 304, 305, 306, or 309, a grant or contract under section 304, 305, 306, or 309 with respect to any project for construction of a facility or for acquisition of equipment may not provide for payment of more than 50 per centum of so much of the cost of the facility or equipment as the Secretary determines is reasonably attributable to research, evaluation, or demonstration purposes.

(2) Laborers and mechanics employed by contractors and subcontractors in the construction of such a facility shall be paid wages at rates not less than those prevailing on similar work in the locality, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 267a—267a-5, known as the Davis-Bacon Act); and the Secretary of Labor shall have with respect to any labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

(3) Such grants and contracts shall be subject to such additional requirements as the Secretary may by regulation precribe.

(i)(1) [For health service research, evaluation, and demonstration activities undertaken or supported under section 304 or 305, there are authorized to be appropriated $65,200,000 for the fiscal year ending June 30, 1975, $80,000,000 for the fiscal year ending June 30, 1976, $28,600,000 for the fiscal year ending September 30, 1978, $35,000,000 for the fiscal year ending September 30, 1979, $40,000,000 for the fiscal year ending September 30, 1980, and $45,000,000 for the fiscal year ending September 30, 1981, $20,000,000 for the fiscal year ending September 30, 1982, $22,000,000 for the fiscal year ending September 30, 1983, $24,000,000 for the fiscal year ending September 30, 1984, $20,500,000 for the fiscal year ending September 30, 1985, $22,750,000 for the fiscal year ending September 30, 1986, and $24,750,000 for the fiscal year ending September 30, 1987.] *For health service research, evaluation, and demonstration activities undertaken or supported under section 304 or 305, there are authorized to be appropriated $26,500,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.* At least 20 per centum of the amount appropriated under the preceding sentence for any fiscal year or $6,000,000, whichever is less, shall be available only for health services research, evaluation and demonstration activities directly undertaken through the National Center for Health Services Research and Health Care Technology Assessment, and at least 10 per centum of such amount or $1,500,000 whichever is less, shall be available only for the user liaison program and the technical assistance program referred to in section 305(c)(2) and for dissemination activities directly undertaken through such Center. For health care technology assessment activities undertaken under subsections (b)(5), (e), (f), and (g) of section 305 the Secretary shall obligate from funds appropriated under this paragraph not less than [$3,000,000 for the fiscal year ending September 30, 1985, $3,500,000 for the fiscal year ending September 30, 1986, and $4,000,000 for the fiscal year ending Sep-

tember 30, 1987,] *$4,000,000 for each of the fiscal years 1988, 1989, and 1990.* [For grants under section 309 the Secretary shall obligate from funds appropriated under this paragraph not less than $500,000 for the fiscal year ending September 30, 1985, $750,000 for the fiscal year ending September 30, 1986, and $750,000 for the fiscal year ending September 30, 1987.] *For grants under section 309 the Secretary shall obligate not less than $750,000 for each of the fiscal years 1988, 1989, and 1990. Grants under such section for each such fiscal year shall be subject to the provisions of section 309(a)(2)(B) applicable to such fiscal year.* Of the amounts appropriated under this paragraph for any fiscal year not more than $1,500,000 may be used for grants and contracts for all the costs of planning, establishing, and operating centers under section 305(d).

(2) For health statistical and epidemiological activities undertaken or supported under section 304 or 306, there are authorized to be appropriated [$30,000,000 for the fiscal year ending June 30, 1975, $30,000,000 for the fiscal year ending June 30, 1976, $33,600,000 for the fiscal year ending September 30, 1978, $50,000,000 for the fiscal year ending September 30, 1979, $65,000,000 for the fiscal year ending September 30, 1980, and $70,000,000 for the fiscal year ending September 30, 1981, $39,000,000 for the fiscal year ending September 30, 1982, $39,000,000 for the fiscal year ending September 30, 1983, $39,000,000 for the fiscal year ending September 30, 1984, $47,000,000 for the fiscal year ending September 30, 1985, $49,000,000 for the fiscal year ending September 30, 1986, and $52,000,000 for the fiscal year ending September 30, 1987.] *$55,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.*

GRANTS FOR A COUNCIL ON HEALTH CARE TECHNOLOGY

SEC. 309. (a)(1) In accordance with this section, the Secretary shall make grants for the planning, development, establishment, and operation of a council on health care technology.

(2)(A)(i) The Secretary shall make an initial grant under paragraph (1) for the planning, development, and establishment of the council. The amount of an initial grant may not exceed $500,000 and may be made for not more than two-thirds of the cost of the planning, development, and establishment of the council.

(ii) The Secretary shall request the National Academy of Sciences, acting through appropriate units, to submit an application for an initial grant under paragraph (1). If the Academy submits an acceptable application, the Secretary shall make the initial grant to the Academy. If the Academy does not submit an acceptable application for an initial grant under paragraph (1), the Secretary shall request one or more appropriate nonprofit private entities to submit an application for an initial grant under paragraph (1) and shall make a grant to the entity which submits the best acceptable application.

(B) The Secretary may not make a grant for the operation of the council unless the application submitted to the Secretary for the grant contains written assurances from the applicant that the applicant will expend from non-Federal sources for the operation of

the council an amount equal to [at least twice the amount of the grant applied for.] *(i) at least the amount of the grant applied for (in the case of a grant for fiscal year 1988 or 1989), or (ii) at least twice the amount of the grant applied for (in the case of a grant for fiscal year 1990).*

(b) The purposes of the council shall include—

(1) promoting the development and application of appropriate health care technology assessments; and

(2) the review of existing health care technologies in order to identify obsolete or inappropriately used health care technologies.

(c)(1) In order to qualify for a grant under this section for the operation of the council, the applicant must demonstrate that it has the capability to, and that under the grant it will—

(A) serve as a clearinghouse for information on health care technologies and health care technology assessment;

(B) collect and analyze data concerning specific health care technologies;

(C) identify needs in the assessment of specific health care technologies and research on assessment methodologies;

(D) develop and evaluate criteria and methodologies for health care technology assessment;

(E) promote education, training, and technical assistance in the use of health care technology assessment methodologies and results; and

(F) stimulate coordinate, and commission assessments of health care technologies.

(2) No funds from any grant made by the Secretary under this section for the planning, development, and establishment of the council may be used to conduct any assessment of a health care technology.

(d) In order to qualify for an initial grant under this section to plan, develop, and establish the council under this section, the applicant must assure that the council will be composed of at least 10 members—

(1) each of whom had education, training, experience, or expertise relating to the quality and cost effectiveness of health care technologies, and

(2) who, as a group, provide representation of organizations of health professionals, hospitals, and other health care providers, health care insurers, employers, consumers, and manufacturers of products for health care.

(e) As a condition for receiving a grant under this section, the applicant must agree to submit to the Secretary an annual report on the council's activities under the grant. The Secretary shall provide for timely transmittal of a copy of each such report to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives.

(f) No grant may be made under this section unless an application is submitted to the Secretary in such form and containing such information as the Secretary shall prescribe.

* * * * * * *

PART B—FEDERAL-STATE COOPERATION

* * * * * * *

PROJECT GRANTS FOR PREVENTIVE HEALTH SERVICES

SEC. 317. (a) The Secretary may make grants to States, and in consultation with State health authorities, to political subdivisions of States and to other public entities to assist them in meeting the costs of establishing and maintaining preventive health service programs.

(b) No grant may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be in such form and be submitted in such manner as the Secretary shall by regulation prescribe and shall provide—

(1) a complete description of the type and extent of the program for which the applicant is seeking a grant under subsection (a);

(2) with respect to each such program (A) the amount of Federal, State, and other funds obligated by the applicant in its latest annual accounting period for the provision of such program, (B) a description of the services provided by the applicant in such program in such period, (C) the amount of Federal funds needed by the applicant to continue providing such services in such program, and (D) if the applicant proposes changes in the provision of the services in such program, the priorities of such proposed changes, reasons for such changes, and the amount of Federal funds needed by the applicant to make such changes;

(3) assurances satisfactory to the Secretary that the program which will be provided with funds under a grant under subsection (a) will be provided in a manner consistent with the State health plan in effect under section 1524(c) and in those cases where appropriate, in a manner consistent with any plans in effect under an application approved under section 315;

(4) assurances satisfactory to the Secretary that the applicant will provide for such fiscal control and fund accounting procedures as the Secretary by regulation prescribes to assure the proper disbursement of and accounting for funds received under grants under subsection (a);

(5) assurances satisfactory to the Secretary that the applicant will provide for periodic evaluation of its program or programs;

(6) assurances satisfactory to the Secretary that the applicant will make such reports (in such form and containing such information as the Secretary may by regulation prescribe) as the Secretary may reasonably require and keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness of, and to verify, such reports;

(7) assurances satisfactory to the Secretary that the applicant will comply with any other conditions imposed by this section with respect to grants; and

(8) such other information as the Secretary may be regulations prescribe.

(c)(1) The Secretary shall not approve an application submitted under subsection (b) for a grant for a program for which a grant was previously made under subsection (a) unless the Secretary determines—

(A) the program for which the application was submitted in operating effectively to achieve its stated purpose,

(B) the applicant complied with the assurances provided the Secretary when applying for such previous grant, and

(C) the applicant will comply with the assurances provided with the application.

(2) The Secretary shall review annually the activities undertaken by each recipient of a grant under subsection (a) to determine if the program assisted by such grant is operating effectively to achieve its stated purposes and if the recipient is in compliance with the assurances provided the Secretary when applying for such grant.

(d) The amount of a grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance on the basis of estimates or by the way of reimbursement, with necessary adjustments on account of underpayments or overpayments, and in such installments and on such terms and conditions as the Secretary finds necessary to carry out the purposes of such grants.

(e) The Secretary, at the request of a recipient of a grant under subsection (a), may reduce the amount of such grant by—

(1) the fair market value of any supplies (including vaccines and other preventive agents) or equipment furnished the grant recipient, and

(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the grant recipient and the amount of any other costs incurred in connection with the detail of such officer or employee.

When the furnishing of such supplies or equipment or the detail of such an officer or employee is for the convenience of and at the request of such grant recipient and for the purpose of carrying out a program with respect to which the grant under subsection (a) is made. The amount by which any such grant is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment, or in detailing the personnel, on which the reduction of such grant is based, and such amount shall be deemed as part of the grant and shall be deemed to have been paid to the grant recipient.

(f)(1) Each recipient of a grant under subsection (a) shall keep such records as the Secretary shall by regulation prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the undertaking in connection with which such grant was made, and the amount of that portion of the cost of the undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have

access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of grants under subsection (a) that are pertinent to such grants.

(g)(1) Nothing in this section shall limit or otherwise restrict the use of funds which are granted to a State or to an agency or a political subdivision of a State under provisions of Federal law (other than this section) and which are available for the conduct of preventive health service programs from being used on connection with programs assisted through grants under subsection (a).

(2) Nothing in this section shall be construed to require any State or any agency or political subdivision of a State to have a preventive health service porogram which would require any person, who objects to any treatment provided under such a program, to be treated or to hava any child or ward treated under such program.

(h) The Secretary shall include, as part of the report required by section 1705, a report on the extent of the problems presented by the diseases and conditions referred to in subsection (j) on the amount of funds obligated under grants under subsection (a) in the preceding fiscal year for each of the programs listed in subsection (j); and on the effectiveness of the activities assisted under grants under subsection (a) in controlling such diseases and conditions.

(i) The Secretary may provide technical assistance to States, State health authorities, and other public entities in connection with the operation of their preventive health service programs.

(j)(1) [For] *(A) Except for grants for immunization programs the authorization of appropriations for which are established in subparagraph (B), for* grants under subsection (a) for preventive health service programs to immunize individuals against vaccine-preventable diseases there are authorized to be appropriated $29,500,000 for the fiscal year ending September 30, 1982, $32,000,000 for the fiscal year ending September 30, 1983, $34,500,000 for the fiscal year ending September 30, 1984, $52,000,000 for fiscal year ending September 30, 1985, $59,000,000 for the fiscal year ending September 30, 1986, [and] $65,000,000 for fiscal year ending September 30, 1987[.], *$94,000,000 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990.*

(B) For grants under subsection (a) for preventive health service programs for the provision of immunizations with vaccines approved for use, and recommended for routine use, after the date of the enactment of this subparagraph, there are authorized to be appropriated for such sums as may be necessary for each of the fiscal years 1988, 1989, and 1990.

(C) Upon the implementation of subtitle 2 of title XXI, there are authorized to be appropriated for grants under subsection (a) for which appropriations are authorized in subparagraph (A) of this paragraph such sums as may be necessary for fiscal years 1988 through 1990 to make such grants.

(2) For grants under subsection (a) for preventive health service programs, for tuberculosis [there are authorized to be appropriated $9,000,000 for the fiscal year ending September 30, 1982, $10,000,000 for the fiscal year ending September 30, 1983, $11,000,000 for the fiscal year ending September 30, 1984, $8,000,000 for the fiscal year ending September 30, 1985, $9,000,000

for the fiscal year ending September 30, 1986, and $10,000,000 for the fiscal year ending September 30, 1987.], *and for grants under section 317A, there are authorized to be appropriated $22,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990. Not more than 10 percent of the total amount appropriated under the preceding sentence for any fiscal year shall be available for grants under section 317A(b) for such fiscal year.*

ADDITIONAL PROGRAMS RELATING TO PREVENTIVE HEALTH SERVICES AND TUBERCULOSIS

SEC. 317A. (a) The Secretary may make grants to States, political subdivisions of States, and other public and nonprofit private entities for—

(1) research into the prevention and control of diseases which may be prevented through vaccination;

(2) demonstration projects for the prevention and control of such diseases;

(3) public information and education programs for the prevention and control of such diseases; and

(4) education, training, and clinical skills improvement activities in the prevention and control of such diseases for health professionals (including allied health personnel).

(b) The Secretary may make grants to States, political subdivisions of States, and other public and nonprofit private entities for—

(1) research into the prevention and control of tuberculosis, especially research concerning strains of tuberculosis resistant to drugs and research concerning cases of tuberculosis that affect certain populations;

(2) demonstration projects for the prevention and control of tuberculosis;

(3) public information and education programs for prevention and control of tuberculosis; and

(4) education, training, and clinical skills improvement activities in the prevention and control of tuberculosis for health professionals, including allied health personnel.

(c) No grant may be made under this section unless an application therefor is submitted to the Secretary in such form, at such time, and containing such information as the Secretary may by regulation prescribe.

(d) Subsections (d), (e), and (f) of section 317 shall apply to grants under this section in the same manner as such subsections apply to grants under subsection (a) of section 317.

PROJECTS AND PROGRAMS FOR THE PREVENTION AND CONTROL OF SEXUALLY TRANSMITTED DISEASES AND ACQUIRED IMMUNE DEFICIENCY SYNDROME

SEC. 318. (a) The Secretary may provide technical assistance to appropriate public and non-profit private entities and to scientific institutions for their research in, and training and public health programs for the prevention and control of sexually transmitted diseases.

(b) The Secretary may make grants to States, political subdivisions of States, and any other public and nonprofit private entity for—

(1) research into the prevention and control of sexually transmitted diseases;

(2) demonstration projects for the prevention and control of sexually transmitted diseases;

(3) public information and education programs for the prevention and control of such diseases, and

(4) education, training, and clinical skills improvement activities in the prevention and control of such diseases for health professionals (including allied health personnel).

(c) The Secretary is also authorized to make project grants to States and, in consultation with the State health authority, to political subdivisions of States, for—

(1) sexually transmitted diseases surveillance activities, including the reporting, screening, and followup of diagnostic tests for, and diagnosed cases of, sexually transmitted diseases;

(2) casefinding and case followup activities respecting sexually transmitted diseases, including contact tracing of infectious cases of sexually transmitted diseases and routine testing, including laboratory tests and followup systems;

(3) interstate epidemiologic referral and followup activities respecting sexually transmitted diseases, and

(4) such special studies or demonstrations to evaluate or test sexually transmitted diseases prevention and control strategies and activities as may be prescribed by the Secretary.

(d) The Secretary, acting through the Director of the Centers for Disease Control, may make grants to public and nonprofit private entities for information and education programs on, and for the diagnosis, prevention, and control of, acquired immune deficiency syndrome. The authority to make grants under this section for acquired immune deficiency syndrome is not the exclusive authority to make grants under this Act for acquired immune deficiency syndrome.

(e)[(1) For the purpose of making grants under subsections (b), (c), and (d) there are authorized to be appropriated $45,000,000 for the fiscal year ending September 30, 1979, $51,500,000 for the fiscal year ending September 30, 1980, $59,000,000 for the fiscal year ending September 30, 1981, $40,000,000 for the fiscal year ending September 30, 1982, $46,500,000 for the fiscal year ending September 30, 1983, $50,000,000 for the fiscal year ending September 30, 1984, $57,000,000 for the fiscal year ending September 30, 1985, $62,500,000 for the fiscal year ending September 30, 1986, and $68,000,000 for the fiscal year ending September 30, 1987. For grants under subsection (b) in any fiscal year, the Secretary shall obligate not less than 10 per centum of the amount appropriated for such fiscal year under the preceding sentence. Grants made under subsection (b), (c), or (d) of this section shall be made on such terms and conditions as the Secretary finds necessary to carry out the purposes of such subsection, and payments under any such grants shall be made in advance or by way of reimbursement and in such installments as the Secretary finds necessary. If the appropriations under the first sentence for fiscal year 1985 exceed

$50,000,000, one-half of the amount in excess of $50,000,000 shall be made available for grants under subsection (d); if the appropriations under the first sentence for fiscal year 1986 exceed $52,500,000, one-half of the amount in excess of $52,500,000 shall be made available for such grants; and if the appropriations under the first sentence for fiscal year 1987 exceed $55,000,000, one-half of the amounts in excess of $55,000,000 shall be made available for such grants.]

(1)(A) For grants under subsections (b), (c), and (d), there are authorized to be appropriated $100,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.

(B) For grants under subsection (b) for any fiscal year, the Secretary shall obligate not less than 10 percent of the total amount appropriated for such fiscal year under subparagraph (A).

(C) Grants made under subsection (b), (c), or (d) shall be made under such terms and conditions as the Secretary finds necessary to carry out the purposes of such subsection, and payments under any such grants shall be made in advance or by way of reimbursement and in such installments as the Secretary finds necessary.

(2) Each recipient of a grant under this section shall keep such records as the Secretary shall prescribe including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant was given or used and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(3) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of grants under this section that are pertinent to such grants.

(4) The Secretary, at the request of a recipient of a grant under this section, may reduce such grant by the fair market value of any supplies or equipment furnished to such recipient and by the amount of pay, allowances, travel expenses, and any other costs in connection with the detail of an officer or employee of the United States to the recipient when the furnishing of such supplies or equipment or the detail of such an officer or employee is for the convenience of and at the request of such recipient and for the purpose of carrying out the program with respect to which the grant under this section is made. The amount by which any such grant is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies, equipment, or personal services on which the reduction of such grant is based.

(5) All information obtained in connection with the examination, care, or treatment of any individual under any program which is being carried out with a grant made under this section shall not, without such individual's consent, be disclosed except as may be necessary to provide service to him or as may be required by a law of a State or political subdivision of a State Information derived from any such program may be disclosed—

(A) in summary, statistical, or other form, or

(B) for clinical or research purposes, but only if the identity of the individuals diagnosed or provided care or treatment under such program is not disclosed.

(f) No funds appropriated under any provision of this Act other than this section may be used to make grants in any fiscal year for programs or projects respecting sexually transmitted diseases if (1) grants for such programs or projects are authorized by this section, and (2) all the funds authorized to be appropriated under this section, for that fiscal year have not been appropriated for that fiscal year and obligated in that fiscal year.

(g) Nothing in this section shall be construed to require any State or any political subdivision of a State to have a sexually transmitted diseases program which would require any person, who objects to any treatment provided under such a program, to be treated under such a program.

(h) Grants under subsections (b) and (c) shall include grants for the prevention and control of, and grants for research and other projects, programs, and activities relating to chlamydia.

* * * * * * *

PART D—PRIMARY HEALTH CARE

* * * * * * *

Subpart II—National Health Service Corps Program

NATIONAL HEALTH SERVICE CORPS

SEC. 331. (a) There is established within the Service, the National Health Service Corps (hereinafter in this subpart referred to as the "Corps") which (1) shall consist of—

(A) such officers of the Regular and Reserve Corps of the Service as the Secretary may designate,

(B) such civilian employees of the United States as the Secretary may appoint, and

(C) such other individuals who are not employees of the United States,

(such officers, employees, and individuals hereinafter in this subpart referred to as "Corps members"), and (2) shall be utilized by the Secretary to improve the delivery of health services in health manpower shortage areas as defined in section 332(a).

(b) The Secretary may conduct at schools of medicine, osteopathy, dentistry, and, as appropriate, nursing and other schools of the health professions and at entities which train allied health personnel, recruiting programs for the Corps [and the Scholarship Program], *the Scholarship Program, and the loan Repayment Program,*

(c) The Secretary may reimburse applicants for positions in the Corps (including individuals considering entering into a written agreement pursuant to section [338C)] *338D)* for actual and reasonable expenses incurred in traveling to and from their *places* of residence to a health manpower shortage area (designated under section 332) in which they may be assigned for the purpose of evaluating such area with regard to being assigned in such area. The

Secretary shall not reimburse an applicant for more than one such trip.

(d)(1) The Secretary may, under regulations promulgated by the Secretary, adjust the monthly pay of each member of the Corps (other than a member described in subsection (a)(1)(C)) who is directly engaged in the delivery of health services in a health manpower shortage area as follows:

(A) During the first 36 months in which such a member is so engaged in the delivery of health services, his monthly pay may be increased by an amount (not to exceed $1,000) which when added to the member's monthly pay and allowances will provide a monthly income competitive with the average monthly income from a practice of an individual who is a member of the profession of the Corps member, who has equivalent training, and who has been in practice for a period equivalent to the period during which the Corps member has been in practice.

(B) During the period beginning upon the expiration of the 36 months referred to in subparagraph (A) and ending with the month in which the member's monthly pay and allowances are equal to or exceed the monthly income he received for the last of such 36 months, the member may receive in addition to his monthly pay and allowances an amount which when added to such monthly pay and allowances equals the monthly income he received for such last month.

(C) For each month in which a member is directly engaged in the delivery of health services in a health manpower shortage area in accordance with an agreement with the Secretary entered into under section 741(f)(1)(C), under which the Secretary is obligated to make payments in accordance with section 741(f)(2), the amount of any monthly increase under subparagraph (A) or (B) with respect to such member shall be decreased by an amount equal to one-twelfth of the amount which the Secretary is obligated to pay upon the completion of the year of practice in which such month occurs.

For purposes of subparagraphs (A) and (B), the term "monthly pay" includes special pay received under chapter 5 of title 37 of the United States Code.

(2) In the case of a member of the Corps who is directly engaged in the delivery of health services in a health manpower shortage area in accordance with a service obligation incurred under the Scholarship Program *or the Loan Repayment Program*, the adjustment in pay authorized by paragraph (1) may be made for such a member only upon satisfactory completion of such service obligation, and the first 36 months of such member's being so engaged in the delivery of health services shall, for purposes of paragraph (1)(A), be deemed to begin upon such satisfactory completion.

(3) A member of the Corps described in subparagraph (C) of subsection (a)(1) shall when assigned to an entity under section 333 be subject to the personnel system of such entity, except that such member shall receive during the period of assignment the income that the member would receive if the member was a member of the Corps described in subparagraph (B) of such subsection.

(e) Corps members assigned under section 333 to provide health services in health manpower shortage areas shall not be counted against any employment ceiling affecting the Department.

(f) Sections 214 and 216 shall not apply to members of the National Health Service Corps during their period of obligated service under the [Scholarship Program] *Scholarship Program or the Loan Repayment Program.*

(g)(1) The Secretary shall, by rule, prescribe conversion provisions applicable to any individual who, within a year after completion of service as a member of the Corps described in subsection (a)(1)(C), becomes a commissioned officer in the Regular or Reserve Corps of the Service.

(2) The rules prescribed under paragraph (1) shall provide that in applying the appropriate provisions of this Act which relate to retirement, any individual who becomes such an officer shall be entitled to have credit for any period of service as a member of the Corps described in subsection (a)(1)(C).

(h) For the purposes of this subpart:

(1) The term "Department" means the Department of Health and Human Services.

(2) The term "Loan Repayment Program" means the National Health Service Corps Loan Repayment Program established under section 338B.

[2] *(3)* The term "Scholarship Program" means the National Health Service Corps Scholarship Program established under section 338A.

[3] *(4)* The term "State" includes, in addition to the several States, only the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the North Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS

SEC. 332. (a)(1) For purposes of this subpart the term "health manpower shortage area" means (A) an area in an urban or rural area (which need not conform to the geographic boundaries of a political subdivision and which is a rational area for the delivery of health services) which the Secretary determines has a health manpower shortage, (B) a population group which the Secretary determines has such a shortage, or (C) a public or nonprofit private medical facility or other public facility which the Secretary determines has such a shortage. *The Secretary shall not remove an area from the areas determined to be health manpower shortage areas under clause (A) of the preceding sentence until the Secretary has afforded interested persons and groups in such area an opportunity to provide data and information in support of the designation as a health manpower shortage area or a population group described in clause (B) of such sentence or a facility described in clause (C) of such sentence, and has made a determination on the basis of the data and information submitted by such persons and groups and other data and information available to the Secretary.*

(2) For purposes of this subsection, the term "medical facility" means a facility for the delivery of health services and includes—

(A) a hospital, State mental hospital, public health center, outpatient medical facility, rehabilitation facility, facility for long-term care, community mental health center, migrant health center, and community health center and which is not reasonably accessible to an adequately served area;

(B) such a facility of a State correctional institution or of the Indian Health Service;

(C) such a facility used in connection with the delivery of health services under sections 321 (relating to hospitals), 322 (relating to care and treatment of persons under quarantine and others), 323 (relating to care and treatment of Federal prisoners), 324 (relating to examination and treatment of certain Federal employees), 325 (relating to examination of aliens), or 326 (relating to services to certain Federal employees), or section 320 (relating to services for persons with Hansen's disease); and

(D) a Federal medical facility.

(b) The Secretary shall establish by regulation, promulgated not later than May 1, 1977, criteria for the designation of areas, population groups, medical facilities, and other public facilities, in the States, as health manpower shortage areas. In establishing such criteria, the Secretary shall take into consideration the following:

(1) The ratio of available health manpower to the number of individuals in an area or population group, or served by a medical facility or other public facility under consideration for designation.

(2) Indicators of a need, notwithstanding the supply of health manpower, for health services for the individuals in an area or population group or served by a medical facility or other public facility under consideration for designation, with special consideration to indicators of—

(A) infant mortality,

(B) access to health services, [and]

(C) health status[.] , *and*

(D) ability to pay for health services.

* * * * * * *

COST SHARING

SEC. 334. (a) The Secretary shall require, as a condition to the approval of an application under section 333 for the assignment of a member of the Corps, that the entity which submitted the application enter into an agreement for a specific assignment period (not to exceed 4 years) with the Secretary under which—

(1) the entity shall be responsible for charging, in accordance with subsection (d), for health services provided by Corps members assigned to the entity;

(2) the entity shall take such action as may be reasonable for the collection of payments for such health services, including, if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps members under this subpart, the collection, on a fee-for-service or other basis, from such agency or third party, the

portion of such cost for which it would be so responsible (and in determining the amount of such cost which such agency or third party would be responsible, the health services provided by Corps members shall be considered as being provided by private practitioners);

(3) the entity, if not a small health center, shall pay to the United States, as prescribed by the Secretary in each calendar quarter (or other period as may be specified in the agreement) during which any Corps member is assigned to such entity, the sum of—

(A) an amount calculated by the Secretary to reflect the average salary (including amounts paid in accordance with section 331(d)) and allowances of comparable Corps members for a calendar quarter (or other period);

(B) that portion of an amount calculated by the Secretary to reflect the average amount paid under the Scholarship Program *or the Loan Repayment Program* to or on behalf of comparable Corps members that bears the same ratio to the calculated amount as the number of days of service provided by the member during that quarter (or other period) bears to the number of days in his period of obligated service under the Program; and

* * * * * * *

PREPARATION FOR PRACTICE

SEC. 336. (a) The Secretary may make grants to and enter into contracts with public and private nonprofit entities for the conduct of programs which are designed to prepare individuals subject to a service obligation under the National Health Service Corps [scholarship program] *Scholarship Program or Loan Repayment Program* to effectively provide health services in the health manpower shortage area to which they are assigned.

(b) No grant may be made or contract entered into under subsection (a) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

* * * * * * *

AUTHORIZATION OF APPROPRIATION

SEC. 338. [(a) To carry out the purposes of this subpart, there are authorized to be appropriated $47,000,000 for the fiscal year ending September 30, 1978; $64,000,000 for the fiscal year ending September 30, 1979; $82,000,000 for the fiscal year ending September 30, 1980; $110,000,000 for the fiscal year ending September 30, 1982; $120,000,000 for the fiscal year ending September 30, 1983; and $130,000,000 for the fiscal year ending September 30, 1984.]

(a) To carry out this subpart and section 338F, there are authorized to be appropriated $65,000,000 for fiscal year 1988, $65,000,000 for fiscal year 1989, and $65,000,000 for fiscal year 1990.

(b) An appropriation under an authorization under subsection (a) for any fiscal year may be made at any time before that fiscal year

and may be included in an Act making an appropriation under an authorization under subsection (a) for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation under sections 331 through 335, section 336A, and section 337 before the fiscal year for which such appropriation is authorized.

Subpart III—Scholarship Program and Loan Repayment Program

NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM

SEC. 338A.

* * * * * * *

NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM

SEC. 338B. (a) The Secretary shall establish a program to be known as the National Health Service Corps Loan Repayment Program (hereafter in this subpart referred to as the "Loan Repayment Program") in order to assure an adequate supply of trained physicians, dentists, and nurses for the Corps and, if needed by the Corps, to assure an adequate supply of podiatrists, optometrists, pharmacists, clinical psychologists, graduates of schools of veterinary medicine, graduates of schools of public health, graduates of programs in health administration, graduates of programs for the training of physician assistants, expanded function dental auxiliaries, and nurse practitioners (as defined in section 822), and other health professionals.

(b) To be eligible to participate in the Loan Repayment Program, an individual must—

(1)(A) be enrolled—

(i) as a full-time student—

(I) in an accredited (as determined by the Secretary) educational institution in a State; and

(II) in the final year of a course of study or program, offered by such institution and approved by the Secretary, leading to a degree in medicine, osteopathy, dentistry, or other health profession; or

(ii) in an accredited graduate training program in medicine, osteopathy, dentistry, or other health profession; or

(B) have—

(i) a degree in medicine, osteopathy, dentistry, or other health profession;

(ii) completed an accredited graduate training program in medicine, osteopathy, dentistry, or other health profession in a State (except as provided in the last sentence of this subsection); and

(iii) a license to practice medicine, osteopathy, dentistry, or other health profession in a State;

(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for civilian service in the Corps;

(3) submit an application to participate in the Loan Repayment Program; and

(4) sign and submit to the Secretary, at the time of the submission of such application, a written contract (described in subsection (f)) to accept repayment of educational loans and to serve (in accordance with this subpart) for the applicable period of obligated service in a health manpower shortage area.

The Secretary may waive the requirement of paragraph (1)(B)(ii) for good cause.

(c) In disseminating application forms and contract forms to individuals desiring to participate in the Loan Repayment Program, the Secretary shall include with such forms—

(1) a fair summary of the rights and liabilities of an individual whose application is approved (and whose contract is accepted) by the Secretary, including in the summary a clear explanation of the damages to which the United States is entitled under section 338E in the case of the individual's breach of the contract; and

(2) information respecting meeting a service obligation through private practice under an agreement under section 338D and such other information as may be necessary for the individual to understand the individual's prospective participation in the Loan Repayment Program and service in the Corps.

The application form, contract form, and all other information furnished by the Secretary under this subpart shall be written in a manner calculated to be understood by the average individual applying to participate in the Loan Repayment Program. The Secretary shall make such application forms, contract forms, and other information available to individuals desiring to participate in the Loan Repayment Program on a date sufficiently early to ensure that such individuals have adequate time to carefully review and evaluate such forms and information.

(d)(1) In determining which applications under the Loan Repayment Program to approve (and which contracts to accept), the Secretary shall give priority to applications made by—

(A) individuals whose training is in a health profession or specialty determined by the Secretary to be needed by the Corps;

(B) individuals who are committed to service in medically underserved areas; and

(C) individuals who are more immediately available for service.

(2) In reviewing the applications of two or more individuals with equivalent qualifications for participation in the Loan Repayment Program, the Secretary shall give preference to the individual with the lowest amount of total outstanding loan obligations for principal, interest, and related expenses for which repayments may be made under subsection (g).

(e)(1) An individual becomes a participant in the Loan Repayment Program only upon the Secretary's approval of the individual's application submitted under subsection (b)(3) and the Secretary's acceptance of the contract submitted by the individual under subsection (b)(4).

(2) The Secretary shall provide written notice to an individual promptly upon—

(A) the Secretary's approving, under paragraph (1), of the individual's participation in the Loan Repayment Program; or

(B) the Secretary's disapproving an individual's participation in such Program.

(f) The written contract (referred to in this subpart) between the Secretary and an individual shall contain—

(1) an agreement that—

(A) subject to paragraph (3), the Secretary agrees (i) to pay on behalf of the individual loans in accordance with subsection (g), and (ii) to accept (subject to the availability of appropriated funds for carrying out sections 331 through 335 and section 337) the individual into the Corps (or for equivalent service as otherwise provided in this subpart); and

(B) subject to paragraph (3), the individual agrees—

(i) to accept loan payments on behalf of the individual;

(ii) in the case of an individual described in subsection (b)(1)(A), to maintain enrollment in a course of study or training described in such subsection until the individual completes the course of study or training;

(iii) in the case of an individual described in subsection (b)(1)(A), while enrolled in such course of study or training, to maintain an acceptable level of academic standing (as determined under regulations of the Secretary by the educational institution offering such course of study or training); and

(iv) to serve for a time period (hereafter in the subpart referred to as the "period of obligated service") equal to 2 years or such longer period as the individual may agree to, in a health manpower shortage area (designated under section 332) to which such individual is assigned by the Secretary as a member of the Corps or under section 338D;

(2) a provision permitting the Secretary to extend for a 1-year period or such longer period, as the individual may agree to, the period of obligated service agreed to by the individual under paragraph (1)(B)(iv);

(3) a provision that any financial obligation of the United States arising out of a contract entered into under this subpart and any obligation of the individual which is conditioned thereon, is contingent upon funds being appropriated for loan repayments under this subpart and to carry out the purposes of sections 331 through 335 and sections 337 and 338;

(4) a statement of the damages to which the United States is entitled, under section 338E for the individual's breach of the contract; and

(5) such other statements of the rights and liabilities of the Secretary and of the individual, not inconsistent with the provisions of this subpart.

(g)(1) A loan repayment provided for an individual under a written contract under the Loan Repayment Program shall consist of payment, in accordance with paragraph (2), on behalf of the individual of the principal, interest, and related expenses on government and commercial loans received by the individual for—

(A) tuition expenses;

(B) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the individual; or

(C) reasonable living expenses as determined by the Secretary.

(2) For each year of obligated service that an individual contracts to serve under subsection (f) the Secretary may pay up to $20,000 on behalf of the individual for loans described in paragraph (1), except as provided in paragraph (3).

(3) In any case in which payments on behalf of an individual under the Loan Repayment Program result in an increase in Federal, State, or local income tax liability for such individual, the Secretary may, on the request of such individual, make payments to such individual in a reasonable amount, as determined by the Secretary, to reimburse such individual for such increase tax liability. The total of the payments made on behalf of an individual under paragraph (1) and the payments made to an individual under this paragraph may exceed $20,000 for each year of obligated service the individual contracts to serve under subsection (f).

(4) The Secretary may enter into an agreement with the holder of any loan for which payments are made under the Loan Repayment Program to establish a schedule for the making of such payments if the establishment of such a schedule would result in reducing the costs to the United States under the Loan Repayment Program.

(h) Notwithstanding any other provision of law, individuals who have entered into written contracts with the Secretary under this section, while undergoing academic or other training, shall not be counted against any employment ceiling affecting the Department.

(i) The Secretary shall, not later than March 1 of each year, submit to the Congress a report specifying—

(1) the number, and type of health profession training, of individuals receiving loan payments under the Loan Repayment Program;

(2) the educational institution at which such individuals are receiving their training;

(3) the number of applications filed under this section in the school year beginning in such year and in prior school years; and

(4) the amount of loan payments made in the year reported on.

OBLIGATED SERVICE

SEC. [338B.] *338C.* (a) Except as provided in section [338C.] *338D*, each individual who has entered into a written contract with the Secretary under section [338A] *338B* shall provide service in the full-time clinical practice of such individual's profession as a member of the Corps for the period of obligated service provided in such contract.

(b)(1) If an individual is required under subsection (a) to provide service as specified in section 338A(f)(1)(B)(iv) *or 338B(f)(1)(B)(iv)* (hereinafter in this subsection referred to as "obligated service"), the Secretary shall, not later than ninety days before the date described in paragraph (5), determine if the individual shall provide such service—

(A) as a member of the Corps who is a commissioned officer in the Regular or Reserve Corps of the Service or who is a civilian employee of the United States, or

(B) as a member of the Corps who is not such an officer or employee,

and shall notify such individual of such determination.

(2) If the Secretary determines that an individual shall provide obligated service as a member of the Corps who is a commissioned officer in the Service of a civilian employee of the United States, the Secretary shall, not later than sixty days before the date described in paragraph (5), provide such individual with sufficient information regarding the advantages and disadvantages of service as such a commissioned officer or civilian employee to enable the individual to make a decision on an informed basis. To be eligible to provide obligated service as a commissioned officer in the Service, an individual shall notify the Secretary, not later than thirty days before the date described in paragraph (5), of the individual's desire to provide such service as such an officer. If an individual qualifies for an appointment as such an officer, the Secretary shall, as soon as possible affer the date described in paragraph (5), appoint the individual as a commissioned officer of the Regular or Reserve Corps of the Service and shall designate the individual as a member of the Corps.

(3) If an individual provided notice by the Secretary under paragraph (2) does not qualify for appointment as a commissioned officer in the Service, the Secretary shall, as soon as possible after the date described in paragraph (5), appoint such individual as a civilian employee of the United States and designate the individual as a member of the Corps.

(4) If the Secretary determines that an individual shall provide obligated service as a member of the Corps who is not an employee of the United States, the Secretary shall, as soon as possible after the date described in paragraph (5), designate such individual as a member of the Corps to provide such service.

[(5)(A) With respect to an individual receiving a degree from a school of medicine, osteopathy, or dentistry, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to extend three years or such greater period as the Secretary, consistent with the needs of the Corps, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training. With respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to exceed one year or such greater period as the Secretary, consistent with the needs of the Corps, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training. No period of internship, residency, or other advanced

clinical training shall be counted toward satisfying a period of obligated service under this subpart.

[(B) With respect to an individual receiving a degree from an institution other than a school referred to in subparagraph (A); the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes his academic training leading to such degree.]

(5)(A) In the case of the Scholarship Program, with respect to an individual receiving a degree from a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that—

(i) at the request of such an individual with whom the Secretary has entered into a contract under section 338A prior to October 1, 1985, the Secretary shall defer such date until the end of the period of time (not to exceed the number of years specified in subparagraph (B) or such greater period as the Secretary, consistent with the needs of the Corps, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training; and

(ii) at the request of such an individual with whom the Secretary has entered into a contract under section 338A on or after October 1, 1985, the Secretary may defer such date in accordance with the provisions of clause (i).

(B)(i) In the case of the Scholarship Program, with respect to an individual receiving a degree from a school of medicine, osteopathy, or dentistry, the number of years referred to in subparagraph (A)(i) shall be three years.

(ii) In the case of the Scholarship Program, with respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the number of years referred to in subparagraph (A)(i) shall be one year.

(C) No period of internship, residency, or other advanced clinical training shall be counted toward satisfying a period of obligated service under this subpart.

(D) In the case of the Scholarship Program, with respect to an individual receiving a degree from an institution other than a school referred to in subparagraph (A), the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes his academic training leading to such degree.

(E) In the case of the Loan Repayment Program, if an individual is required to provide obligated service under such Program, the date referred to in paragraphs (1) through (4)—

(i) shall be the date determined under subparagraph (A), (B), or (D) in the case of an individual who is enrolled in the final year of a course of study;

(ii) shall, in the case of an individual who is enrolled in an accredited graduate training program in medicine, osteopathy, dentistry, or other health profession, be the date the individual completes such training program; and

(iii) shall, in the case of an individual who has a degree in medicine, osteopathy, dentistry, or other health profession and who has completed graduate training, be the date the individ-

ual enters into an agreement with the Secretary under section 338B.

(c) An individual shall be considered to have begun serving a period of obligated service—

(1) on the date such individual is appointed as an officer in a Regular or Reserve Corps of the Service or is designated as a member of the Corps under subsection (b)(3) or (b)(4) or

(2) in the case of an individual who has entered into an agreement with the Secretary under section [338C], *338D*, on the date specified in such agreement,

whichever is earlier.

(d) The Secretary shall assign individuals performing obligated service in accordance with a written contract under the Scholarship Program to health manpower shortage areas in accordance with sections 331 through 335 and sections 337 and 338. If the Secretary determines that there is no need in a health manpower shortage area (designated under section 332) for a member of the profession in which an individual is obligated to provide service under a written contract and if such individual is an officer in the Service or a civilian employee of the United States, the Secretary may detail such individual to serve his period of obligated service as a full-time member of such profession in such unit of the Department as the Secretary may determine.

(e) Notwithstanding any other provision of this title, service of an individual under a National Research Service Award awarded under subparagraph (A) or (B) of section 472(a)(1) shall be counted against the period of obligated service which the individual is required to perform under the Scholarship Program, *under the Loan Repayment Program*, or under section 225 as in effect on September 30, 1977.

PRIVATE PRACTICE

SEC. [338C.] *338D.* (a) The Secretary shall, to the extent permitted by, and consistent with, the requirements of applicable State law, release an individual from all or part of his service obligation under section [338B(a)] *338C(a)* or under section 225 (as in effect on September 30, 1977) if the individual applies for such a release under this section and enters into a written agreement with the Secretary under which the individual agrees to engage for a period equal to the remaining period of his service obligation in the full-time private clinical practice (including service as a salaried employee in an entity directly providing health services) of his health profession—

(1) in the case of an individual *who received a scholarship under the Scholarship Program and* who is performing obligated service as a member of the Corps in a health manpower shortage area on the date of his application for such a release, in the health manpower shortage area in which such individual is serving on such date; *or in the case of an individual for whom a loan payment was made under the Loan Repayment Program and who is performing obligated service as a member of the Corps in a health manpower shortage area on the date of*

his application for such a release, in the health manpower shortage area selected by the Secretary or

(2) in the case of any other individual, in a health manpower shortage area (designated under section 332 *selected by the Secretary.*

(b) The written agreement described in subsection (a) shall—

(1) provide that during the period of private practice by an individual pursuant to the agreement—

(A) any person who receives health services provided by the individual in connection with such practice will be charged for such services at the usual and customary rate prevailing in the area in which such services are provided, except that if such person is unable to pay such charge, such person shall be charged at a reduced rate or not charged any fee; and

(B) the individual in providing health services in connection with such practice (i) shall not discriminate against any person on the basis of such person's ability to pay for such services or because payment for the health services provided to such person will be made under the insurance program established under part A or B of title XVIII of the Social Security Act or under a State plan for medical assistance approved under title XIX of such Act, and (ii) shall agree to accept an assignment under section 1842(b)(3)(B)(ii) of such Act for all services for which payment may be made under part B of title XVIII of such Act and either into an appropriate agreement with the State agency which administers the State plan for medical assistance under title XIX of such Act to provide services to individuals entitled to medical assistance under the plan; and

(2) contain such additional provisions as the Secretary may require to carry out the purposes of this section.

For purposes of paragraph (1)(A), the Secretary shall by regulation prescribe the method for determining a person's ability to pay a charge for health services and the method of determining the amount (if any) to be charged such person based on such ability. *The Secretary shall take such action as may be appropriate to assure that the conditions of the written agreement prescribed by this subsection are adhered to.*

(c) If an individual breaches the contract entered into under sections 338A *or 338B.* by failing (for any reason) to begin his service obligation in accordance with an agreement entered into under subsection (a) or to complete such service obligation, the Secretary may permit such individual to perform such service obligation as a member of the Corps.

(d) The Secretary may pay an individual who has entered into an agreement with the Secretary under subsection (a) an amount to cover all or part of the individual's expenses reasonably incurred in transporting himself, his family, and his possessions to the location of his private clinical practice.

(e)[(1) The Secretary may make such arrangements as he determines are necessary for the individual for the use of equipment

and supplies and for the lease or acquisition of other equipment and supplies.]

[(2)] Upon the expiration of the written agreement under subsection (a), the Secretary may (notwithstanding any other provision of law) sell to the individual who has entered into an agreement with the Secretary under subsection (a), equipment and other property of the United States utilized by such individual in providing health services. Sales made under this subsection shall be made at the fair market value (as determined by the Secretary) of the equipment or such other property, except that the Secretary may make such sales for a lesser value to the individual if he determines that the individual is financially unable to pay the full market value.

(f) The Secretary may, out of appropriations authorized under section 338, pay to individuals participating in private practice under this section the cost of such individual's malpractice insurance and the lesser of—

(1)(A) $10,000 in the first year of obligated service;

(B) $7,500 in the second year of obligated service;

(C) $5,000 in the third year of obligated service; and

(D) $2,500 in the fourth year of obligated service; or

(2) an amount determined by subtracting such individual's net income before taxes from the income the individual would have received as a member of the Corps for each such year of obligated service.

(g) The Secretary shall, upon request, provide to each individual released from service obligation under this section technical assistance to assist such individual in fulfilling his or her agreement under this section.

BREACH OF SCHOLARSHIP CONTRACT *OR LOAN REPAYMENT CONTRACT*

SEC. [338D.] *338E.* (a)*(1)* An individual who has entered into a written contract with the Secretary under section 338A and who—

[(1)] *(A)* fails to maintain an acceptable level of academic standing in the educational institution in which he is enrolled (such level determined by the educational institution under regulations of the Secretary),

[(2)] *(B)* is dismissed from such educational institution for disciplinary reasons,

[(3)] *(C)* voluntarily terminates the training in such an educational institution for which he is provided a scholarship under such contract, before the completion of such training, or

[(4)] *(D)* fails to accept payment, or instructs the educational institution in which he is enrolled not to accept payment, in whole or in part, of a scholarship under contract,

in lieu of any service obligation arising under such contract, shall be liable to the United States for the amount which has been paid to him, or on his behalf, under the contract.

(2) An individual who has entered into a written contract with the Secretary under section 338B and who—

(A) in the case of an individual who is enrolled in the final year of a course of study, fails to maintain an acceptable level of academic standing in the educational institution in which

such individual is enrolled (such level determined by the educational institution under regulations of the Secretary) or voluntarily terminates such enrollment or is dismissed from such educational institution before completion of such course of study; or

(B) in the case of an individual who is enrolled in a graduate training program, fails to complete such training program and does not receive a waiver from the Secretary under the last sentence of section 338B(b),

in lieu of any service obligation arising under such contract shall be liable to the United States for the amount which has been paid on his behalf under the contract.

(b)(1) Except as provided in paragraph (2), if (for any reason not specified in subsection (a) or section [338E(d))] *338F(d))* an individual breaches his written contract by failing either to begin such individual's service obligation *Under section 338A* in accordance with section [338B] *338C* or [338C] *338D* or to complete such service obligation, the United States shall be entitled to recover from the individual an amount determined in accordance with the formula

$$A = 3\varphi(t - s/t)$$

in which "A" is the amount the United States is entitled to recover, "φ" is the sum of the amounts paid under this subpart to or on behalf of the individual and the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States; "t" is the total number of months in the individual's period of obligated service; and "s" is the number of months of such period served by him in accordance with section [338B] *338C* or a written agreement under section [338C.] *338D.* Any amount of damages which the United States is entitled to recover under this subsection shall, within the one year period beginning on the date of the breach of the written contract, (or such longer period beginning on such date as specified by the Secretary for good cause shown) be paid to the United States.

(2) If an individual is released under section 753 from a service obligation under section 225 (as in effect on September 30, 1977) and if the individual does not meet the service obligation incurred under section 753, subsection (f) of such section 225 shall apply to such individual in lieu of paragraph (1) of this subsection.

(c)(1) If (for any reason not specified in subsection (a) or section 338F(d)) an individual breaches the written contract of the individual under section 338B by failing either to begin such individual's service obligation in accordance with section 338C or 338D or to complete such service obligation, the United States shall be entitled to recover from the individual an amount equal to the sum of—

(A) the total of the amounts paid by the United States on behalf of the individual;

(B) the interest on the amounts described in subparagraph (A) which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum prevailing rate, as determined by the Treasurer of the United States, and

(C) an amount equal to the unserved obligation penalty.

(2) For purposes of paragraph (1)(C), the term "unserved obligation penalty" means the amount equal to the product of number of months of obligated service which were not completed by an individual, multiplied by $500.

(3) The Secretary, in the discretion of the Secretary, may reduce the amount which the United States would otherwise by entitled to recover from an individual under paragraph (1)(A) if the Secretary determines that such individual has performed a sufficient amount of obligated service to warrant such a reduction.

(4) The Secretary may waive, in whole or in part, the rights of the United States to recover amounts under this section in any case of extreme hardship, as determined by the Secretary.

(5) Damages which the United States is entitled to recover shall be paid in accordance with the last sentence of subsection (b)(1).

[(c)](*d*)(1) Any obligation of an individual under the Scholarship Program (or a contract thereunder *or the Loan Repayment Program (or a contract thereunder)* for service or payment of damages shall be canceled upon the death of the individual.

The Secretary shall by regulation provide for the partial or total waiver or suspension of any obligation of service or payment by an individual under the Scholarship Program (or a contract thereunder) *or the Loan Repayment Program (or a contract thereunder)* whenever compliance by the individual is impossible or would involve extreme hardship to the individual and if enforcement of such obligation with respect to any individual would be unconscionable.

(3) Any obligation of an individual under the Scholarship Program (or a contract thereunder) *or the Loan Repayment Program (or a contract thereunder)* for payment of damages may be released by a discharge in bankruptcy under title 11 of the United States Code only if such discharge is granted after the expiration of the five-year period beginning on the first date the payment of such damages is required.

SPECIAL LOANS FOR FORMER CORPS MEMBERS TO ENTER PRIVATE PRACTICE

SEC. [338E.]*338F.* [(a) The Secretary may, out of appropriations authorized under section 338, make one grant or one loan to an individual—

[(1) who has completed at least two years of his period of obligated service in the Corps, and

[(2) who has agreed in writing—

[(A) to engage in the private full-time clinical practice of his profession in a health manpower shortage area (designated under section 332) for a period (beginning not later than one year after the date he completed his period of obligated service in the Corps) of not less than one year;

[(B) to conduct such practice in accordance with the provisions of section 338C(b)(1); and

[(C) to such additional conditions as the Secretary may require to carry out the purposes of this section;

to assist such individual in meeting the costs of beginning the practice of such individual's profession in accordance with such agreement, including costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. Such grant may not be used for the purchase or construction of any building.

[(b) The amount of the grant or loan under subsection (a) to an individual shall be—

[(1) $12,500, if the individual agrees to practice his profession in accordance with the agreement for a period of at least one year, but less than two years; or

(2) $25,000 if the individual agrees to practice his profession in accordance with the agreement for a period of at least two years.]

(a) The Secretary may, out of appropriations authorized under section 338, make one loan to a Corps member who has agreed in writing—

(1) to engage in the private full-time clinical practice of his profession in a health manpower shortage area (designated under section 332) for a period of not less than two years which—

(A) in the case of a Corps member who is required to complete a period of obligated service under this subpart begins not later than one year after the date on which such individual completes such period of obligated service; and

(B) in the case of an individual who is not required to complete a period of obligated service under this subpart, begins at such time as the Secretary considers appropriate;

(2) to conduct such practice in accordance with the provisions of section 338D(b)(1); and

(3) to such additional conditions as the Secretary may require to carry out the purposes of this section.

Such a loan shall be used to assist such individual in meeting the costs of beginning the practice of such individual's profession in accordance with such agreement, including the costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. Such loan may not be used for the purchase or construction of any building.

(b) The amount of a loan under subsection (a) to an individual shall not exceed $25,000.

(c) The Secretary may not make a [grant or] loan under this section unless an application therefor has been submitted to, and approved by the Secretary. The Secretary shall, by regulation, set interest rates and repayment terms for loans under this section.

(d) If the Secretary determines that an individual has breached a written agreement entered into under subsection (a), he shall, as soon as practicable after making such determination notify the individual of such determination. If within 60 days after the date of giving such notice, such individual is not practicing his profession in accordance with the agreement under such subsection and has not provided assurances satisfactory to the Secretary that he will not knowingly violate such agreement again, the United States shall be entitled to recover from such individual—

(1) in the case of an individual who has received a grant under [this section,] *this section (as in effect prior to October 1, 1984),* an amount determined under section [338D(b),] *338E(b),* except that in applying the formula contained in such section "φ" shall be the sum of the amount of the grant made under subsection (a) to such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate, "t" shall be the number of months that such individual agreed to practice his profession under agreement, and "s" shall be the number of months that such individual practices his profession in accordance with such agreement; and

(2) in the case of an individual who has received a loan under this section, the full amount of the principal and interest owed by such individual under this section.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 338F. (a) There are authorized to be appropriated for scholarships under this subpart $75,000,000 for the fiscal year ending September 30, 1978, $140,000,000 for the fiscal year ending September 30, 1979, and $200,000,000 for the fiscal year ending September 30, 1980. For the fiscal year ending September 30, 1982, and each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to make 550 new scholarship awards in accordance with section 338A(d) in each such fiscal year and to continue to make scholarship awards to students who have entered into written contracts under the Scholarship Program before October 1, 1984. For the fiscal year ending September 30, 1985, and for each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make scholarship awards to students who have entered into written contracts under the Scholarship Program before October 1, 1984.

[(b) Of the sums appropriated under this section (1) 90 percent shall be obligated for scholarships for medical, osteopathic, and dental students, and (2) 10 percent of such 90 percent shall be obligated for scholarships for dental students.]

REPORT AND AUTHORIZATION OF APPROPRIATIONS

SEC. 338G. (a) The Secretary shall report on January 20 of each year to the Committee on Labor and Human Resources of the Senate, the Committee on Energy and Commerce of the House of Representatives, and the Committees on Appropriations of the Senate and the House of Representatives the number of providers of health care who will be needed for the Corps during the 3 fiscal years beginning after the date the report is filed and the number—

(1) of scholarships the Secretary proposes to provide under the Scholarship Program during such 3 fiscal years;

(2) of individuals for whom the Secretary proposes to make loan repayment under the Loan Repayment Program during such 3 fiscal years; and

(3) of individuals who have no obligation under section 338C and who the Secretary proposes to have as members of the Corps during such 3 fiscal years,

in order to provide such number of health care providers.

(b) There are authorized to be appropriated such sums as may be necessary for scholarships and loan repayments under this subpart.

STATE PROGRAMS

SEC. 338H. (a) The Secretary may make grants to States to support the establishment by States of State programs similar to the Loan Repayment Program. Any State program supported with a grant under this section shall—

(1) provide for the repayment of government and commercial loans for the tuition, educational expenses, and living expenses described in section 338B(g)(1); and

(2) shall be conducted in conformance with the description of such program contained in the application required under subsection (b).

(b) No grant may be made under this section for a State program unless an application therefor is submitted to the Secretary, in such form, at such time, and containing such information as the Secretary may prescribe. Each such application shall contain such standards for the designation of medically underserved areas under the State program and the determination obligated service under the State program as may be acceptable to the Secretary.

(c) The Federal share of the costs of any State program supported under this section shall not exceed 75 percent.

(d) To carry out this section, there are authorized to be appropriated $1,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.

INDIAN HEALTH SCHOLARSHIP PROGRAM

SEC. [338G.] *338I.* (a) In addition to the sums authorized to be appropriated under section 756(a) to carry out the Scholarship Program, there are authorized to be appropriated $5,450,000 for the fiscal year ending September 30, 1978, $6,300,000 for the fiscal year ending September 30, 1979, $7,200,000 for the fiscal year ending September 30, 1980, $9,000,000 for the fiscal year ending September 30, 1981, $10,300,000 for the fiscal year ending September 30, 1982, $11,800,000 for the fiscal year ending September 30, 1983, and $13,600,000 for the fiscal year ending September 30, 1984, to provide scholarships under the Scholarship Program to provide physicians, osteopaths, dentists, veterinarians, nurses, optometrists, podiatrists, pharmacists, clinical psychologists, public health personnel, and allied health professionals to provide services to Indians. Such scholarships shall be designated "Indian Health Scholarships" and shall be made in accordance with this subpart, except as provided in subsection (b).

(b)(1) The Secretary, acting through the Indian Health Service, shall determine the individuals who shall receive the Indian Health Scholarships, shall accord priority to applicants who are Indians, and shall determine the distribution of the scholarships on

the basis of the relative needs of Indians for additional services by specific health professions.

(2) The active duty service obligation prescribed in the written contract entered into under this subpart shall be met by the recipient of an Indian Health Scholarship by service in the Indian Health Service, in a program assisted under title V of the Indian Health Care Improvement Act, or in the private practice of the applicable profession if, as determined by the Secretary in accordance with guidelines promulgated by the Secretary, such practice situated in a physician or other health professional shortage area and addresses the health care needs of a substantial number of Indians.

(c) For purposes of this section, the term "Indians" has the same meaning given that term by subsection (c) of section 4 of the Indian Health Care Improvement Act and includes individuals described in clauses (1) through (4) of that subsection.

Subpart [III] *IV*—Home Health Services

* * * * * * *

HEALTH SERVICES AND CENTERS AMENDMENTS OF 1978

* * * * * * *

TITLE IV—RESOURCES FOR DISEASE PREVENTION AND HEALTH PROMOTION

* * * * * * *

SEC. 404. (a) The Secretary, acting through the National Center for Health Statistics, shall submit to Congress on [December 1, 1980] *March 14, 1990,* and on [December 1] *March 15,* of every third year thereafter, a national disease prevention data profile in order to provide a data base for the effective implementation of this Act and to increase public awareness of the prevalence, incidence, and any trends in the preventable causes of death and disability in the United States. Such profile shall include at a minimum—

(1) mortality rates for preventable diseases;

(2) morbidity rates associated with preventable diseases;

(3) the physical determinants of health of the population of the United States and the relationship between these determinants of health and the incidence and prevalence of preventable causes of death and disability; and

(4) the behavioral determinants of health of the population of the United States including, but not limited to, smoking, nutritional and dietary habits, exercise, and alcohol consumption, and the relationship between these determinants of health and the incidence and prevalence of preventable causes of death and disability.

(b) In preparing the profile required by subsection (a), the Secretary, acting through the National Center for Health Statistics, shall comply with all relevant provisions of sections 306 and 308 of the Public Health Service Act.

* * * * * * *

○